THE FINANCIAL POST

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The Nation's Business

Deficits from Coast to Coast

Britain's New Premier Seeks World Peace Through Recovery

No Debt Repudiation on B. C. Platforms

Strong Civil Service Provides Safeguards

Canada Lags in Public Finance

BOTH investors in public bonds and students of public finance will find a gold mine of fact and interpretation in the ten pages of this issue devoted to a survey of the financial position of Canadian governments and municipalities.

This supplement is the 23rd Annual Government and Municipal Survey of The Financial Post. An intensive and, we trust, successful effort has been made to face the facts of the situation regarding public finance in Canada, without blatant optimism or brusque pessimism.

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THE situation, whether as regards the Dominion Government, the provinces or the municipalities, can be summed up by saying that it is improving but is yet far from satisfying or encouraging.

The Dominion still runs a heavy deficit and seems unwilling to undertake the major effort necessary to get on a debt-repayment basis.

The provinces are, on the whole, still running deficits and in some cases have little chance of showing surpluses in the near future.

The municipalities that have defaulted have, in only a limited number of cases, effected final settlements.

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IF CANADA were still in the midst of depression, deficits would be understandable. And on the principle of letting governments take up some of the slack of diminishing trade, they would be forgivable. But we are not in the midst of depression. We are in the fifth year of recovery. Probably the distance we have to go before we hit the next serious decline in business is much less than the distance we have travelled from the valley of the last decline. We should now be showing large governmental surpluses, repaying our depression-born debts, and strengthening the national financial structure to meet the burdens that the next period of depression will bring.

We are lagging far behind Australia, South Africa, Sweden and Great Britain—to mention four other democracies—in solving the problem of national finance.

An intensive study of the leading article in the Government and Municipal Survey and of the individual positions therein analyzed will repay every investor and citizen.

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Chamberlain Takes Over

THE change in prime ministers in the United Kingdom has taken place with the minimum of fuss. It has been overshadowed by more dramatic events, the Abdication, the Coronation, the Empire conference. But it is a safe assumption that the rise of Mr. Chamberlain to the post so competently filled for several years by Mr. Baldwin, implies a considerable change of emphasis in British domestic, trade and foreign policy. Mr. Chamberlain is a quite different type from Mr. Baldwin; therefore British policy under Mr. Chamberlain must be quite different, in many respects, from British policy under Mr. Baldwin.

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MR. BALDWIN is a typical John Bull; not aggressive nor excitable, but bluff, honest and easy-going. These are the external manifestations of his character. These are the qualities the public see and admire. With them he has shrewdness, subtlety and, at times, an effective craftiness.

Mr. Chamberlain is an opposite type. He is a man of decisive ideas, impatient of blunders and eager to see action. He is not a genial, lovable soul. He shakes few hands and slaps no backs.

He was first of all a successful businessman, then he entered municipal politics in that best of training schools — Birmingham. Quite late in life, he entered national politics and advanced quietly and with determined purpose to the very forefront.

He is not a man to mince words over anything. He will speak his mind frankly and keep the voters bluntly apprised of their responsibilities as tax-payers.

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UNDER Mr. Chamberlain, Britain will not hesitate either in rearming or in paying the bills as they come in. Foreign policy will probably achieve a new definition in its purpose. Mr. Chamberlain will warn firmly and mean every word of what he says.

He will warmly support the protective system in Britain, but will use it as an instrument of Empire-building through the preferential system. He has already (as revealed in cable dispatches to The Financial Post this week) given his support to the Roosevelt-Hull plan of tariff

(Continued on page 2, col. 3)

Parley Finds League Death Close at Hand

New Trade Accord May Replace Sanctions — King Backs U. K.

NO MORE SANCTIONS

Special Cable to The Financial Post From Our Own Correspondent

LONDON.—Overseas delegates to the Imperial Conference have learned the news—sorrowful to many of them—that the League of Nations that they have known is dead. The old League, armed with a full array of military and economic sanctions, has passed away and the funeral will be held in Geneva during the month of September. The new League that will then arise in the place of the old sanctionist League will be something quite different. It will be a consultative League.

The British Government has firmly and clearly made its view known. That view is what could have been expected from British foreign policy in the Ethiopian and Spanish crises; namely, that Britain will no longer support a policy of collective security involving any advance commitments to preserve the peace by force.

Prime Minister King, always one of the most zealous supporters of the League of Nations, has backed up the British position and, in making his views known, has virtually repeated the address he gave at the League of Nations assembly in September last.

The other Dominions regret the passing of the sanctionist League and have expressed both their sorrow and their lack of conviction that the League in its present form has failed utterly. But they are unable to do anything about the situation.

New Highway to Goal

While the new British attitude to the League of Nations is a cruel death-blow to the hopes of that group of zealous League advocates who have kept enthusiasm of the collective security system alive in Britain, there is less practical reason for alarm than their bitter disappointment might suggest. The League of Nations having failed to produce an atmosphere conducive to the maintenance of world peace, British statesmen are now seeking to reach that goal by other highways.

A clue to how those other highways run is to be found in the unexpectedly warm support given this week by Prime Minister Chamberlain to the Roosevelt-Hull drive for trade peace. The new technique will be to bind the democracies of the world more closely together by trade and capital. The Roosevelt-Hull programme is readily accepted as the pattern. The feeling is that as the benefits of recovery through trade are experienced by the participating countries—the United States, the United Kingdom, the British Dominions, the South American Republics and the European democracies, the sheer pressure of example will force the dictatorship nations into line.

An important development of the week was the signing of a trade pact by seven of the smaller European countries which agreed as among themselves to remove all extra obstacles to trading.

The new programme in no sense represents a retreat from the British determination to rearm to the hilt. The British Government is determined that until the war-hungry dictators join the democracies of the world in a drive for economic peace Britain, for one, will be fully prepared to meet any emergency that will arise.

Forum for Discussion

While the sanctionist League has died, the League of Nations is still assigned an important rôle to play in world affairs. Apart from its technical and social contributions to world betterment, it is regarded as having important possibilities as a forum for open discussion of pressing world problems, even though it will have no authority to impose its decisions by force or sanctions.

London holds high hopes that President Roosevelt may be induced to bring the United States into a purely consultative League, a move which would not involve that country in any blind commitments.

So far as Canada is concerned Mr. King continues his traditional policy of avoiding advance commitments. He intends that Canada shall remain a member of the British Empire and a member of the League of Nations, but unbound by any obligations to either that might involve the country in a war not of its own making.

Parley Assures Firm Gold Price

Ability of the Imperial Conference to achieve a tentative, probably a permanent unity of opinion in support of the Hull drive for lower tariffs in the world has one particularly important aspect from Canada's viewpoint. It ensures, for the time being at least, the present $35 price for gold and the stabilization of the principal foreign exchanges around the present level. So long as the British nations give firm and unequivocal backing to the Roosevelt-Hull international trade crusade there is no danger of a sudden withdrawal by Washington of its gold purchase policy. Both gold and currency are covered in the outline draft of the proposed Anglo-American trade treaty and Washington has given unofficial but quite definite assurances that, so long as negotiations between London and Washington are proceeding smoothly and in clear waters, it has no intentions of rocking the boat by dropping its bid for gold.

Succession Duties Tangle May be Job for Commission

By THOMAS C. THOMPSON

Already confused by conflicting laws, rulings and claims of nine provincial taxing bodies, succession duty legislation in Canada is now plunged into still greater chaos as the result of cancellation of reciprocal succession duty tax exemptions by Ontario and Alberta in the last two weeks.

In place of reciprocal agreements providing mutual tax exemptions for estates with assets in more than one province, an aggravated condition of overlapping taxation, conflicting provincial tax claims and potential litigation is created.

Informed observers regard the situation as so acutely serious that the whole sphere of provincial succession duty taxation is expected to come under the purview of the forthcoming Royal Commission survey into government and provincial finances, with results that may include a complete reorientation of provincial taxing rights in the field of estate death duties.

Announcement of Premier William Aberhart of Alberta cancelling reciprocal agreements with Ontario, New Brunswick, British Columbia, Great Britain and Northern Ireland, was almost immediately followed by Premier Mitchell Hepburn's announcement that similar reciprocal arrangements between Ontario and British Columbia, Alberta and Nova Scotia were to be cancelled, effective June 1.

This week, Ontario's cabinet cancelled its reciprocal agreements with Prince Edward Island and New Brunswick. Agreements with Great Britain, Northern Ireland, Trinidad and Tobago remain, but Ontario now has no reciprocity agreement with any of the other Canadian provinces. Ontario has never had reciprocal succession duty exemption with Quebec, Saskatchewan or Manitoba.

Duplicate Taxation

In brief, the action of the two provinces means that if a resident of Ontario died owning assets in Alberta and Nova Scotia no exemption from Ontario succession duty would be allowed for succession duty collected by Alberta and Nova Scotia on the Ontario man's assets located in those provinces. It also means that Nova Scotians and Albertans holding assets in Ontario are taxed twice on the same assets at death.

What is seldom realized by investors and businessmen holding securities is that these may represent assets in two, three or more provinces merely because securities are those of companies with head offices or transfer offices located in two, three or four provinces. In a portfolio of 20 different securities there may be head offices and transfer offices represented in all nine provinces.

Heavier Tax Burden

Serious as the situation is in duplicating or quadrupling estate taxation it also means that estates with assets located in two or more provinces must now bear a tax burden out of all proportion to what has hitherto been considered a fair levy.

Conflicting succession duty laws, regulations interpretations, rulings and claims of taxing officials in nine provinces are expected to result in a flood of claims and litigations between provinces and between provinces and individual estates. Wasteful collection costs may penalize both government financial resources and estates which find they must

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Chamberlain Backs Anglo-U. S. Accord

Formal Statement on Trade Policy Unlikely—Canada Affected

By H. NAPIER MOORE

Editor, Maclean's Magazine, Special Cable to The Financial Post.

H. NAPIER MOORE

LONDON.—Those who expect formal treaties or resolutions involving United Kingdom, U. S. A. and the British Dominions, to be signed, sealed and delivered at the Imperial Conference are, I am afraid, doomed to disappointment.

This week, delegates to this major Empire conclave are deep in a study of the proposals and concessions which United States is seeking to obtain from Britain.

No sooner had the proposed terms of an Anglo-U. S. pact been disclosed to the delegates than it became obvious that any such agreement, on the terms outlined by the United States, would present a multitude of complications affecting a very wide and important range of Empire products.

Accordingly it appears that continued and possibly prolonged negotiations will be necessary after the conference adjourns before anything in the nature of formal treaties can be signed. This means also that any formal resolution on trade policy probably will be avoided at the present time, although the enthusiastic attitude of Prime Minister Chamberlain to trade co-operation indicates broad approval of a forward step in this direction.

Dominions Deeply Concerned

That the dominions are deeply concerned in this whole matter of Anglo-United States trade has become increasingly obvious in recent days. Take, for example, the single instance of the Australian automobile market in which Canada has such an important stake.

By reason of a new Anglo-U. S. treaty, British automobile manufacturers who have made such important inroads into the Australian market in recent years, had hoped to even improve their position. But any change along this line would immediately involve very important business interests both in Australia and in Canada.

Bilateral Treaties

Certain American and British interests have even been urging that the most useful way of consummating trade discussions in the present deliberations would be by way of a broad Imperial-American pact embracing United Kingdom and the various dominions on the one hand and United States on the other. Opinion of dominion delegates is clearly along the lines of bilateral treaties with possibly some measure of co-ordination to crystallize the conference deliberations in regard to Empire-U. S. trade.

Such treaties would have to be concluded subsequently of course and may be many months in process of completion. The whole matter would be carried on through Canada's high commissioners at London and Washington after the conference deliberations have concluded.

The maiden speech of Prime Minister Neville Chamberlain to the Conference exceeded expectations in the extent to which it supported the idea of closer Anglo-Imperial-U. S. trade relations. The difficulty now is to clear away by a series of agreements matters affecting all parts of the Empire.

Success of Parley in Trade Matters Assured—Study U. S. Plan

Special Cable to The Financial Post From Our Own Correspondent

LONDON.—The Imperial Conference faced intently and earnestly this week the major question of promoting Empire and world trade. Those statesmen who regard policies of economic disarmament as vital to world peace were delighted by the spirit of the discussion and by the progress made toward an Anglo-American reciprocity agreement.

"It is now possible to forecast that the conference will be a complete success so far as trade discussions are concerned," The Financial Post was told by a high authority.

The remarks made by Rt. Hon. Walter Runciman, retiring president of the Board of Trade, in the House of Commons last week tended to dampen the hopes of those who regarded United Kingdom-United States economic co-operation as essential to trade peace. Mr. Runciman spoke pessimistically concerning the progress of negotiations with the United States. Britain must not be asked to abandon its system of preferences, which was "now an essential part of our Imperial policy," he said. He recalled that during his conversation with President Roosevelt and Secretary of State Cordell S. Hull at Washington he had never disguised "the difficulties which must naturally arise in reaching an agreement."

Mr. Runciman's remarks followed upon a series of challenging pleas by Liberal and Labor members to seize the present moment for co-operation with America.

Chamberlain Stand

When he brought the question of the Anglo-American trade agreement before the Dominions delegates for discussion, Prime Minister Neville Chamberlain made it quite clear that Mr. Runciman was not speaking for the new cabinet. Mr. Chamberlain was unequivocal in his statement to the delegates that the Government would lend its co-operation with President Roosevelt and Mr. Hull in their world economic programme.

This was the most dramatic and significant event of the conference to date. Up to now there has been considerable doubt as to where Mr.

(Continued on page 4)

New Survey of Securities Holds Record for Sales

A consistent best seller among Canadian publications, and indispensible in the investor's library, The Financial Post Survey of Corporate Securities, 1937 edition, has just been printed. It is the eleventh annual edition.

Orders for more than 9,000 copies of the new edition are now being filled and additional orders are being received rapidly. The 1936 edition was completely sold out within a month of printing, and hundreds of delayed orders could not be satisfied.

The unusually pronounced economic changes of the past few years, and the consequent improvement in corporation earnings have added to the interest in the new volume.

A new feature in the 1937 edition is an eight-year price range tabulation for Canadian stocks. It covers the years 1929 to 1936 inclusive and fills a need of many investors at no extra expense to the buyer.

Covers 1,500 Companies

Some 1,500 companies are surveyed in the new edition. There are comparative income accounts and balance sheets for three years; earnings are shown on a per share basis and calculations of the coverage for bond interest are included. Also enumerated are particulars of each company's business, properties and personnel, and such invaluable investment information as the details of dividend rates, bonded debt and capital structure.

The present demand from investors for segregation of securities by groups is answered in the Survey which classifies the companies under these headings:

Banking
Beverages
Construction
Foodstuffs
Investment Trusts
Iron and Steel
Merchandising
Flour Milling
Oil Refining
Public Utility
Pulp and Paper
Real Estate
Rubber
Textiles
Transportation
Trust and Loan
Miscellaneous

The alphabetical index, requiring nearly five pages with three columns to the page, makes it a simple matter to locate particulars on any company.

Attractively bound, with cover in maroon, russet and yellow, the volume contains 292 printed pages and sells at $2.

Gypsum Lime Buys in Bonds, Reduces Debt

Former President Aims at Control—Manager Outlines Position

SHARES SCATTERED

Gypsum, Lime and Alabastine, Canada, Ltd. has recently acquired some $300,000 of its first mortgage bonds for sinking fund purposes, The Financial Post is informed. There was $3,525,500 of the company's bonds outstanding last year.

The recent purchases of bonds correct to a large extent the defaults of sinking fund that occurred after the company got into a strained working capital position in 1932. The bond purchases also reflect the "comfortable working cash" position mentioned by Fred Andrews, general manager of the company in a statement emphasizing the improvement in the company's situation under the present management.

Mr. Andrews's statement was issued following the recent requisitioning of a special meeting of shareholders by a group of minority stockholders understood to be headed by R. E. Haire, Paris, Ont., former president and managing director of the company.

Changes in Board

Mr. Haire remained a director of the company until the annual meeting on Feb. 10, 1937, when he was replaced by C. Gordon Cockshutt, Brantford. It is understood that at the annual meeting Mr. Haire held some proxies and suggested changes in the management of the company. The view of present company officials is that the call for a special general meeting is simply another effort to regain control of the management.

The Financial Post understands that the present management was appointed partly because of the support of creditors with the idea of rehabilitating the company's financial position. After the change of management 4½ years ago, Mr. Haire

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Still Seeking Probe Head

Baldwin Unable to Consider Canadian Commission Chairmanship

Special Cable to The Financial Post by Our Own Correspondent.

LONDON.—No progress has been made by Prime Minister King and Finance Minister Dunning in lining up a chairman for the proposed Royal Commission on Public Finance in Canada.

The suggestion that Earl Baldwin of Bewdley might take the chairmanship, now that he has retired from active political life, was one on which Mr. King and Mr. Dunning at no time built very high hopes. They desired to make the gesture as a compliment to Earl Baldwin and would have been delighted had he accepted. But it is understood that Earl Baldwin did not feel that he was in a position to consider it seriously.

The Canadian Cabinet apparently remains split as to the true purposes of the Royal Commission and the objects to be served. One view is that the Commission should undertake a major enquiry into the basic economic disabilities of different geological areas in Canada, holding the view that the financial problems of the provinces arise out of these economic disparities.

B. C. Electors Approve Health Insurance Plan

VANCOUVER.—Majority of 11,000 voters recorded themselves in favor of a "comprehensive health insurance scheme" in British Columbia's plebiscite this week. The vote in favor was 42,409 and against, 32,374, with several ridings to hear from. Hon. George M. Weir, Minister of Health, is expected to introduce an implementing measure in the Legislature next session.

Gardiner Looming As Liberal Leader On King Retirement

Elimination of King and Dunning May Lead to Hepburn-Gardiner Control Of Federal Party

BY A POLITICAL OBSERVER

(This is the first of three articles discussing frankly the leadership prospects of federal government in Canada)

OTTAWA.—A better illustration of the old truth that still waters run deep could hardly be afforded than the present political situation which centres in the Mackenzie King Government.

On the surface, everything with that Government is calm. But it is like the calm before the storm.

For under the surface a very different situation exists. There, hidden in the depths, powerful currents are flowing. And they are flowing with the irresistible quality of destiny itself. Only those who have had some experience with their undertow can realize their strength.

Some time, in the nature of things, there is going to be an upheaval which will push these currents to the top. Then rivalries and intrigues, ambitions and discontents, the stuff out of which successes are made and disappointments are suffered, will churn and eddy turbulently in the full view of the body politic.

What then are some of the forces working presently toward a major upheaval in Liberal circles?

King and Dunning

First there is the present Liberal leader, Rt. Hon. W. L. Mackenzie King. By 1940 he will have been prime minister for close to 14 out of the 66 years of his life. Will he go through another election?

Then there is Hon. Charles Dunning, Federal Minister of Finance. Before another year is out, will he have tired of public life for the second time in his career and again heeded the inducements to serve private interests? In short, will he no longer be a front-rank possibility for future cabinet and leadership material in a new Liberal set-up?

Then, after King and Dunning, what?

That is the serious question which looms on the horizon of Canadian politics today. And it is in the light of that question that the currents of intrigue, now flowing so ambitiously beneath the tranquil surface of the Government, assume national significance. What is going on beneath the surface in the Liberal party in Ottawa today is no more concern of the Liberal party; it is of national concern and it is essential that Canadians generally should know it and understand what it means.

One reason why the situation is of national interest is the possibility of a Gardiner-Hepburn coalition gaining control of federal liberalism. Hon. Mitchell Hepburn, premier of Ontario, denied that he has any aspirations for federal leadership, but he was equally flat in his recent contradiction of a report that he sought a Hepburn-Rowe alliance in the Ontario field.

The Gardiner Bid

While the political shrewdness of Mr. Hepburn is fairly well recognized, even outside Ontario, Hon. J. G. Gardiner, Minister of Agriculture, is probably the most underestimated member of the cabinet in the political judgment of eastern Canada. What the people of Ontario, Quebec and the Maritimes seem to have failed wholly to grasp is that within the two years since the Liberals took office, "Jimmie" Gardiner has overtaken and passed all other likely candidates for the leadership of the party on Mr. King's retirement. Whether he is strong enough yet to command a clear majority in a national convention by his own efforts is doubtful, but in an alliance with Mr. Hepburn it is difficult to see failure.

Already, moreover, there is some evidence of such an alliance. For instance, there is Mr. Hepburn's recent appointment of E. J. Young, ex-M.P. of Weyburn, Sask., to a high position in the Ontario public service. Was that appointment made because no one in the whole of Ontario equalled Mr. Young's qualifications? Mr. Young was simply a Saskatchewan farmer, without any outstanding qualifications. The appointment can only be accounted for and understood on the grounds that already the liaison between Mr. Hepburn and Mr. Gardiner has begun to operate.

Premier King's Future

For the moment, however, let us leave Mr. Gardiner, return to Prime Minister King and review the whole picture in logical sequence.

Mr. King's rôle in the drama which the political stage is slowly unfolding is one which lends itself to a clear under-

(Continued on page 2, col. 3)

PRICE BROS. HEAD?

Col. C. H. L. Jones, now president of Mersey Paper Co., who is said to be slated for the presidency of Price Bros. & Co.

Plan Merger Of Can. Hydro

To be Amalgamated With Subsidiary, Gatineau Power

From Our Own Correspondent

MONTREAL.—Plans will likely be announced this month for the amalgamation of Canadian Hydro-Electric Corp. with its wholly owned operating subsidiary, Gatineau Power Co.; refunding the latter company's debentures, and removal of obstacles to the resumption of dividend payments.

Canadian Hydro has outstanding 125,000 of 6% first preferred shares 250,000 shares of 6% non-cumulative second preferred and 5,000 no par value common shares. Both the second preferred and common stock are held by International Hydro-Electric System, while the cumulative first preferred stock is widely held in Canada and the United States.

Regular dividends were paid on the first preferred until the operating company's contract with Ontario Hydro was cancelled. The dividend was deferred until this situation cleared up, even though the dividend was being earned.

Merge With Gatineau

By the end of this year Canadian Hydro's first preferred will be $12.50 a share in arrears. In order to liquidate these arrears and generally strengthen the financial position of the Gatineau enterprises, it is planned to merge Canadian Hydro with Gatineau Power.

This will necessitate an exchange of shares of the holding company for those of the operating company. Prospects are that Canadian Hydro preferred will be exchanged for Gatineau preferred, while some common stock is likely to be given in lieu of dividend arrears. The second preferred and common shares will probably be asked to convert into Gatineau Power common.

When this arrangement has been completed, the next step will be to take care of Gatineau Power debentures.

Abitibi Plans Nearly Ready

Preferred Shareholders May Be Divided on Scheme

The Abitibi Power & Paper Co. bondholders' committee is understood to be very close to agreement with the preferred shareholders' committee on proposals for reorganization of the company by judicial sale proceedings.

The initial move toward such a sale will be application for a court order which may be made any day. At the same time, details of the "bondholders' plan" of reorganization will be revealed. It is understood that these details have been materially revised in recent weeks.

The bondholders' proposals involve raising some $14 millions of working capital through issue of new bonds prior to the present issue. In return for this loss of security, bondholders would receive a substantial portion of new common shares. Shareholders would be given an interest in the equity by turning over a block of the proposed new capital stock to the liquidator who would then apportion it between the two classes of preferred and the common stock.

Shareholders would also receive warrants entitling them to buy additional stock within 12 months.

Basis for Argument

While revisions of the bondholders' proposals are understood to have been steadily toward broader concessions to shareholders in recent weeks, The Financial Post is informed that shareholder groups are

(Continued on page 4)

Highlights

Government Bonds

Better times are ahead for governments as well as business. Continuance of deficits and failure to reduce debt, however, may mean trouble ahead for the investor in government bonds. The Financial Post 23rd annual survey of government and municipal finance gives a critical summary of the situation. Pages 15 to 24

Brazilian Traction

Hampered by an uncertain exchange situation and rate structure, this great public utility company is expanding to meet increasing demands for its services. Page 3

Trans-Canada Air Head

Maj. D. R. MacLaren, new general manager for Canada's biggest air service, is a wartime ace who has made a success of peacetime aviation. Page 14

Labor Relations

Labor is challenging employers and the Canadian Manufacturers' Association is pondering on its policy. Page 25

Investors' Index .... Page 2

Seaway Project Treaty Forecast

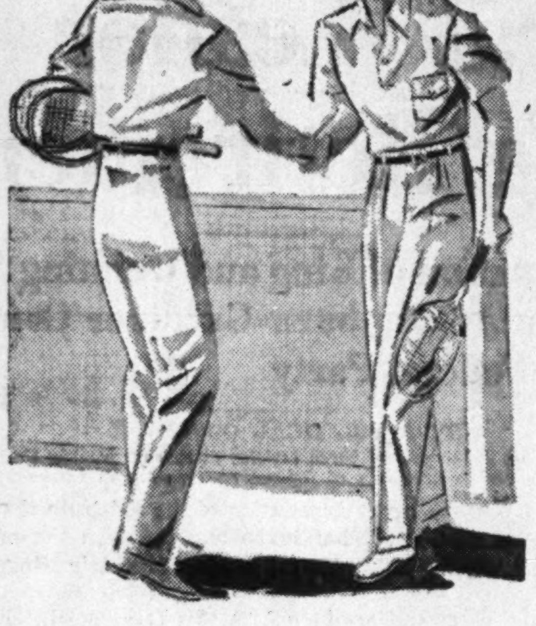
New Agreement Reported Possible by Next Fall

From Our Own Correspondent

OTTAWA.—Recent forecasts of a renewed attempt between the United States and Canada to get together on the St. Lawrence seaway project, reflect a serious effort to achieve a treaty satisfactory to both countries.

President Franklin D. Roosevelt is undoubtedly taking the initiative in the negotiations, but the Canadian Government, on condition that the treaty can be made a bargaining instrument for securing certain wanted concessions in the United States market, has intimated its willingness to negotiate on a reasonable basis.

It is altogether likely that the subject will be one of the main ones to engage the attention of Prime Minister W. L. Mackenzie King on his return from the Imperial Conference, and it would not be surprising if a concrete proposition were reached between the two countries before the autumn is over.



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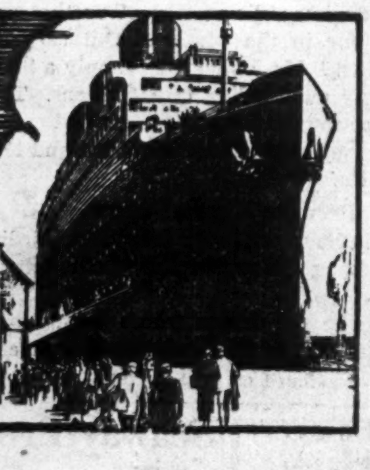

Foreign Trade and Canadian Business Men

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Gardiner Is Mentioned As Next Liberal Chief

(Continued from page 1)

standing. As a Canadian party leader, he is at the very height of his prestige. By the time 1940 rolls around he will have kept the Liberals in power for almost 14 out of the 19 years that will have elapsed since he fought his first general election as party chieftain.

Furthermore, he has established some claim to enduring fame in the realm of Imperial statesmanship from his close association with the Statute of Westminster. And, finally, he stands at the moment on the verge of becoming a major world figure, due to the fact that at the present Imperial Conference he is serving as the liaison between President Roosevelt of the United States and the British Commonwealth of nations in the interests of the plan of the former to preserve universal peace by economic co-operation.

In other words, on the principle that it is a wise man who knows enough to retire while he is still at the pinnacle of his reputation, Mr. King should pass from the picture within a few years.

History to be Written

Mr. King has one compelling reason for being willing to lay aside the public burdens which he has borne with such distinction for so many years. He is anxious to write a history of his own time. It is a project for which, with his thorough mind and his genius for observation and appraisal, he is especially fitted. The years which he has known, furthermore, deserve recording. For one thing, they have witnessed the coming-of-age of the British overseas Dominions. And with this development as with the other significant changes and events of his time, Mr. King has been intimately connected.

His book, when it appears, should constitute a noteworthy contribution to the record of an age which history is almost certain to regard as eventful, significant, probably a little perplexing. It will take a long time to write the record as it should be written and as Mr. King will write it.

Mr. Dunning's Plight

It is beyond question that Mr. Dunning had Mr. King's prospective disappearance from the stage and his own likely accession to the Liberal leadership strongly in his mind when he returned to public life in 1935. It was only logical that he should. In his business career he was achieving outstanding success. Why leave it, then, unless to gratify at once the highest and worthiest ambition which a Canadian can cherish?

Unfortunately for Mr. Dunning, however, the plum that two years ago seemed certain to drop into his lap if only he had the patience to wait may elude him. The political situation, which is never static, has altered so radically since 1935 as to make it less likely that he will ever become leader of the Liberal party.

Why?

The answer lies in the name of his old-time political rival, and present cabinet colleague, Hon. "Jimmie" Gardiner.

Long Term Feud

The rivalry between Dunning and Gardiner is one which goes back to the old Saskatchewan days, when both were members of the provincial legislature. Mr. Dunning was premier; Mr. Gardiner only a private member. The time came, however, when Mr. Dunning was leaving the provincial field for Ottawa. A successor had to be chosen. Mr. Dunning was willing that it should be almost anyone other than Mr. Gardiner. When the smoke of battle had cleared away, however, Mr. Gardiner was in possession of the title.

Two years ago he came to Ottawa. Immediately the old rivalry reopened. For both Mr. Gardiner and Mr. Dunning are properly ambitious. Mr. Gardiner set about in the first session of Parliament to win away Mr. Dunning's following. A parliamentarian of the highest ability, he is a fighter such as your back-bencher loves to have for a leader. From the moment he entered the Commons "Jimmie" Gardiner stood in awe of no one. It mattered not whether it was Rt. Hon. R. B. Bennett, or some Social Credit member who was in Parliament for the first time. "Jimmie" took on all-comers in debate and, if he did not always emerge a victor, at least he was never known to quit under fire.

The Prairie Crusader

One circumstance aided him beyond all measure in his ambitious course. That was the fact that when Mr. Dunning moved to the East and went into business, the West had become openly suspicious of him. After residence in the East broadened his viewpoint, he was looked upon by some prairie liberals, whose idol at one time he was, as little less than a traitor to the western low-tariff faith. The West always needs a crusader. Mr. Dunning ceased, during his years in private business, to be a crusader for the prairies. Mr. Gardiner succeeded him in that essential post.

Furthermore, Mr. Dunning found himself unable to achieve easily some of the policies which he regarded as of utmost importance to the country if its financial position was to be retrieved. His cardinal belief was in the necessity of maintaining Canadian credit at so high a level that the country's debt, federal, provincial, and even municipal could be refunded and placed upon a sound basis. From the first, however, he had an Aberhart to contend with. And then his trump card in the picture of Canada's credit, namely, the reliability of Ontario's reputation, failed him when Premier Hepburn repudiated the power contracts made by the province.

It is reliably reported that Mr. Dunning will retire, possibly before another year has passed. He can go back to private business.

Mr. Gardiner's Progress

How has the redoubtable "Jimmie" been faring? The answer on Parliament Hill, from the standpoint of his own political fortunes, is "very nicely, thank you." Among the members of the Commons he already controls the western Liberal block solidly. He has a reputation of never forgetting an injury which, in itself, might not get him very far. He has also the reputation, however, of never forgetting a service. And that, in a Minister who has considerable patronage at his disposal, is a trait which the rank-and-file members like. Mr. Gardiner, in short, enjoys the reputation of being "a good guy to tie on to."

His skill in matters of patronage and of machine technique is nothing short of consummate. He lost no time, for instance, in visualizing the tremendous possibilities of the drought area is the prairies. Whereas previous administrations had been content to view it as a mere problem in day-to-day relief. "Jimmie" saw in it the possibilities of something far more immense. Accordingly, he drafted legislation calling for an expenditure of $10,000,000 in "rehabilitation" works.

What is more, he jammed it through the House of Commons.

That measure represented the final nail in the coffin of Mr. Dunning's hopes. With $10,000,000 to spend, Mr. Gardiner became immediately the political dictator of the prairies. If any of the western Liberal M.P.'s had forgotten him before, they made a point of remembering him now. Mr. Gardiner was their man; he had what it takes for political success.

Needs More Support

At the moment it is doubtful if he has the requisite strength to capture a national Liberal convention against all comers. A solid West is not enough to turn the trick. Mr. Gardiner himself quite evidently realized that fact and he is playing his cards shrewdly to win the support he needs elsewhere in the Dominion.

It is futile that he expect much backing from the Maritimes. In their present temper the Atlantic seacoast provinces regard all Western politicians as little better than high class burglars. From Quebec, furthermore, he can expect little in the face of the wave of nationalism that is surging through the province, although he has been cultivating Hon. Ernest Lapointe assiduously and his own record toward the French-speaking residents of Saskatchewan while he was premier is in his favor. It is to Ontario, however, that he turns naturally, and to an alliance with Mr. Hepburn.

Mr. Hepburn Claims

Of Mr. Hepburn it might be said that he is a kindred spirit to Mr. Gardiner. He is politically shrewd, as is Mr. Gardiner. He has never eschewed machine politics and has tilted few lances at the patronage and spoils system. He has courage as has Mr. Gardiner. And he is essentially a low-tariff Liberal. Mr. Gardiner is the same. Rarely were two leaders ever better suited to become political bed-fellows.

Ontario, the seat for years of at least four great universities — Toronto, Queen's, Western, McMaster— and the traditional source of supply for leaders in the public, intellectual and commercial life of the western prairies, must have experienced a distinct shock when Premier Hepburn reversed the well-known order of things by bringing a man from Saskatchewan to head the province's new Labor and Industry Board.

The explanation that among the three million people of Ontario no one was qualified will not carry conviction. Mr. Young himself is a remarkably modest individual, with no exceptional training or fitness for the post, though a high type of citizen in his own private capacity and holder of some very orthodox views on economic liberalism. In brief the only basis upon which the appointment can be understood is in the light of entente already established and working between Mr. Hepburn and Mr. Gardiner. Mr. Young ranks very high in Mr. Gardiner's regard.

Opposition Possibilities

That a Gardiner-Hepburn alliance would offer a strong challenge to federal Liberalism none with any knowledge of the existing state of the party's politics will deny. Only one individual would stand an outside chance against it. That would be Col. J. L. Ralston, former minister of national defense, now a practising lawyer in St. James St. He could conceivably muster a solid Maritimes, and if he could carry Quebec solidly as well, he would receive a smattering of support elsewhere in the Dominion. He has an influential Liberal following which holds his ability, probity, industry and courage in highest regard. But he could not carry a solid Quebec. Mr. Gardiner's reputation for friendliness toward the French Canadians in Saskatchewan and the entente which he has established with Mr. Lapointe will assure him substantial Quebec support in any balloting between himself and another English-speaking candidate.

The Older Liberal View

Naturally, the older group of Liberals view the prospect of Gardiner-Hepburn control of the federal Liberal Party with some concern. Both are men of courage, not without administrative ability, and both have risen to their present commanding positions in Liberalism by their own efforts and merits. All this is highly to their credit.

There are two reasons why old-fashioned Liberals are viewing with alarm a Gardiner-Hepburn regime. The minor one is that in the combination Mr. Hepburn, with his record for converting a deficit into a surplus, becomes the logical figure for federal finance minister. What would be the effect upon Canadian credit if the author of the Ontario power contract repudiation legislation became chancellor of the exchequer? Would world confidence in Canada be sustained? Is Mr. Hepburn, the budget balancer, a bigger world figure than Mr. Hepburn, the contract repudiator?

Machine Control?

The principal argument presented against Gardiner-Hepburn control, however, is the fear that may be unfounded that it would mean an era of machine government for Canada, with the spoils system rampant and with patronage in all its extravagance dominant. The Dominion, with the railway and the relief problems jointly burdening it and threatening economic recovery, cannot afford to enter upon such an era. Instead, Canada must, above everything else, safeguard her credit in order that her heavy public debt may be financed upon the most favorable terms possible. More than that, she must commence some time soon to tread the pathway of economical and efficient administration and must face resolutely the problems of railway and relief expenditures which are gnawing into her economic vitals.

Hon. Norman Rogers

Is there no other potential leader besides Mr. Gardiner or Mr. Dunning? There used to be Hon. Norman McLeod Rogers, Minister of Labor. At one time his shoulders were looked upon as likely to wear the mantle of succession to the Liberal chieftain. His career bears many resemblances to that of Mr. King. He is the same type of doctrinaire Liberal, with much of the same shrewdness in compromising for the expediency of the moment in order to attain a long-range objective later on.

He has the same well furnished and well trained mind, and his approach to politics has been through problems of labor and human welfare. As a former secretary to Mr. King he is believed to have the particular interest of his chieftain.

But Mr. Rogers has suffered in prestige with the rank-and-file of the M.P.'s during the past session. Handicapped in their eyes by having lately been a university professor, he is now accused of being academic and failing to grapple with a huge practical problem in a practical way. In other words, he is being blamed, rightly or wrongly, for the failure to end unemployment in the Dominion.

Mr. Rogers, in brief, at one time was in the running for the post of leader in succession to Mr. King. He may be in the running again. But, it is said, he will have to produce some solvent for the prevalent unemployment to restore him to the picture, over and above the tremendous revival in business which has done so much to provide a national solution for many of our most pressing problems.

Hon. J. L. Ilsley

There is one present member of the cabinet who may yet prove a dark horse in the leadership race. That is Hon. J. L. Ilsley, minister of national revenue. He has made good in a big way.

Unhappily for his political fortunes, he is not an individual of spectacular methods. He has, however, one of the best brains in the Government; he has a faculty of balance that safeguards him from the perils of extreme dogmatism; he has the courage to do what he thinks is right and an enlightened vision in discerning what is the right; he has no sectional prejudices; he has earnestness which he does not make boring and he has an unassuming, friendly personality which two years as a cabinet minister have not altered.

What are his chances? Admittedly, he is only a long shot "in the field." But sometimes long shots come through. If Mr. Dunning gives up public life Parliament Hill believes that the logical man for promotion to the finance portfolio is Mr. Ilsley. And given a couple of years to make a reputation for himself as finance minister, Ilsley may well become a formidable leadership contender. The Conservative party chose two leaders from the Maritimes — Mr. Borden and Mr Bennett—and both became prime ministers. The Liberals may yet follow suit.

Time is running in favor of Mr. Ilsley more than of any other candidate. But the Gardiner-Hepburn lead is formidable.

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The Nation's Business

(Continued from page 1)

disarmament. He has less faith in the United States than other Englishmen who know it better. If he pushes through the Anglo-American trade pact it will be because he realizes that sweet reasonableness in American tariff policy is such a rare phenomenon it should be captured before it is gone; and because he sees trade recovery as a better safeguard of world peace than a sanctionist League of Nations.

Mr. Baldwin permitted members of his cabinet to embarrass him and his Government. Mr. Chamberlain will be, at all times, the complete master of the Cabinet — a super-Cabinet Minister surrounded by assistants deputising for him in the various departments.

* * *

British Columbia Debt Policy

DESPITE the wide variety of political parties and opinion in the British Columbia election campaign, there was a notable absence of radical views of the question of the public debt of the province. That should be good news to British Columbia bondholders, as it appears to indicate general approval of the policy of the past few years of full recognition of the rights of investors.

Hon. John Hart, the provincial treasurer, in the course of the election campaign, expressed the view that perhaps the province would never have to pay the $35 millions owed to the Dominion Government. He was obviously looking with hope toward the findings of the forthcoming Royal Commission enquiry into public finance and taxation. Mr. Hart emphasized, however, that there would be no default on B. C. obligations.

The fact that the bond market has been placing a higher value on British Columbia securities is evidence that sound finance in the province is being rewarded.

* * *

Civil Service a Safeguard

THE Edmonton Journal has supplied an illuminating roll-call of 34 key men among more than 500 who have been retired or dismissed from the Alberta civil service during the Aberhart régime. The list includes a civil service commissioner, a King's Printer, three deputy ministers and 11 board commissioners. Their period of service ranged up to 24 years.

These men have been discharged because, to quote Premier Aberhart's own words, "they seemed unable to understand the policies of the Government." The charge, it is safe to assume, might be levelled equally well against 99%, not only of Alberta's civil servants, but of the people of Canada. Lewis Carrol himself might be hard put to explain the "Through the Looking Glass" intricacies of Premier Aberhart's mind. Meanwhile, the Alberta civil service is being robbed of its key men, part of the immense price which Alberta electors are being called upon to pay for their choice of a Moses who seems to have lost his own way in the wilderness.

* * *

THE indignant outcry which has followed the dismissal of H. P. Keith, deputy minister of public works, and C. A. Davidson, highways commissioner, seems to indicate that these latest moves may hasten the end of the Aberhart rule in Alberta. But after Aberhart, what?

Never in the history of Canada has there been greater need for well-trained, independent civil service organizations, responsible to public will, but safely entrenched against the exigencies of mere political whims and patronage. A deputy minister who knows his job is the electors' greatest protection against the minister who only thinks he does. A civil service system built on merit and experience can safeguard the provinces from the dangers of untried and often unwise experiments in government which, while democracy exists, are bound to have their brief day. Even radical legislation administered by experienced department executives can lose much of its terror.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Hamilton, Ont.	May	Bank of Montreal and Syndicate	2½%	10-ins.	$482,673	98.054	3.65%
			3½%	20-ins.	2,000,000		
Westminster, Twp. of	May	Midland Securities	3½%	10-yr.	10,400	99.67	3.57%
Dominion—							
Canada Treasury Bills	May		...	Sept. 1, '37	$30,000,000	99.829	.678%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Ottawa Electric Railway	May	McTaggart, Hannaford, Birks & Gordon and Syndicate	3%	1938-40	$420,000	...	...
			3½%	1941-42	280,000	...	...
			4%	1943-47	700,000	...	...
			4½%	1948-55	1,120,000	...	...

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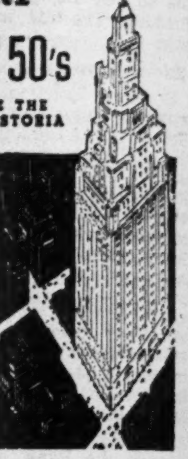

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Canadian Pacific Hotels

Brazilian Traction Companies Expanding to Meet New Demand

Power Operations Serve Population of 4.7 Millions, Telephone Services Show Increase of 11.28%, Gas Sales Advance — Rising Exchange Helps Working Capital Position

Principal features of the 1936 year of Brazilian Traction, Light and Power Co., which have favorable indications for the current year's earnings, include:

(1) Increase in the value of Brazilian currency and in net merchandise exports, with consequent strengthening of the company's accounts;

(2) Expansion in business for all operating companies;

(3) Capital expenditures of $12 millions in anticipation of continued increase in demand for the company's services.

At the end of 1935 the Brazilian milreis was quoted at 5.48 cents in New York. By the end of 1936 this quotation had increased to 5.95 cents and it is now 6.50 cents.

Exchange is back almost to the closing rate at the end of 1934. In that year the company's gross revenue was $30.7 millions against $32.2 millions in 1936 and net profits $4.2 millions against $6.4 millions. With a rising trend of earnings continuing into 1937, where the first four months have shown an increase of 18.23% in net operating revenue, and an improved exchange situation, the outlook for 1937 earnings for Brazilian Traction appears favorable.

Exchange Helps Working Capital

Brazilian Traction reported net working capital of $22.1 millions at Dec. 31, 1936, a reduction of $1.6 million during the year. The company uses the closing free market rate for Brazilian exchange in New York in valuing the current assets and liabilities of its operating companies in Brazil. Since the end of 1936 this rate has risen over 9%. If the company's working capital had been valued at today's exchange rate, it would have been increased to about $24.4 millions. This is only one illustration of the importance to Brazilian Traction of the exchange rate for the milreis.

The Brazilian Government, through the Bank of Brazil, continues to enforce restrictions as to the buying of foreign exchange in quantities and Brazilian Traction finds itself unable to send its earnings out of the country as freely as it would like. Improvement in the Brazilian balance of merchandise exports, however, give some hope that restrictions on the export of funds from Brazil may be moderated in the not too distant future.

The situation referred to in previous annual reports with regard to the rates for public utility services remains unsettled. When the exchange situation became acute one of the actions of the Brazilian Government was to abrogate the clauses of all contracts which provided for payment based on variation in the exchange rate. Temporary rates were arbitrarily fixed and little progress has been made toward stabilization on a permanent basis.

New Highs For Services

Combined public services provided by operating companies controlled by Brazilian Traction all showed a growth in 1936. Tabulated according to types of service provided, this growth was as follows:

Type of Service:	Incr. %
Passengers carried	7.17
Electricity sold	10.34
Gas sales	6.35
Telephones connected	11.28

A new peak was reached in sales of electrical energy by Brazilian Traction and its operating subsidiaries in 1936, when 1,235.7 million kw.h. were sold. Installed capacity of generators is now 367,934 kw., compared with 321,484 kw. at the end of 1935. The company provides electrical power for a population of 4,761,000.

A new contract was signed in Dec., 1936, with the important federal government railway, Central Railway of Brazil, by the Rio de Janeiro Tramway, Light and Power Co. to supply 12,000 k.v.a. as an initial load with the possibility that this may be increased to 25,000 k.v.a. This power is to be used in the programme of electrification of a portion of the railways entering Rio de Janeiro. It was feared earlier that the Brazilian Government would take this opportunity to establish its own electrical power plants.

$12 Millions Capital Expenditures

New construction and extensions of the company's gas services were made in 1936 to care for increased business. Sales of gas reached a new peak in 1936, surpassing the previous high point of 1930, and showing a growth of 24 million cubic metres since 1932.

Extensions have been made to the telephone services to provide for the additional 16,818 telephones connected in 1936. The number of telephones installed by Brazilian Traction subsidiaries has shown an annual increase since 1916 and is now 165,852, of which 99,988 are automatic type.

Brazilian Traction was able to spend $12 millions on its properties in 1936 without causing any reduction in its cash balance at the end of the year. In his report to shareholders, A. W. Adams, secretary of the company, explains that adjustments to the depreciation and plant renewal account were made as a result of the capital expenditures. Approximately $8.8 millions was provided, in effect, from depreciation and renewal charges and reserve for general amortization. Surplus for the year, after payment of dividends, was $1.3 million and could be utilized for capital expenditures. This would leave a balance of $1.9 million to come from other sources, much of which might be provided by the higher value at which current assets were shown on the balance sheet because of the higher exchange rate.

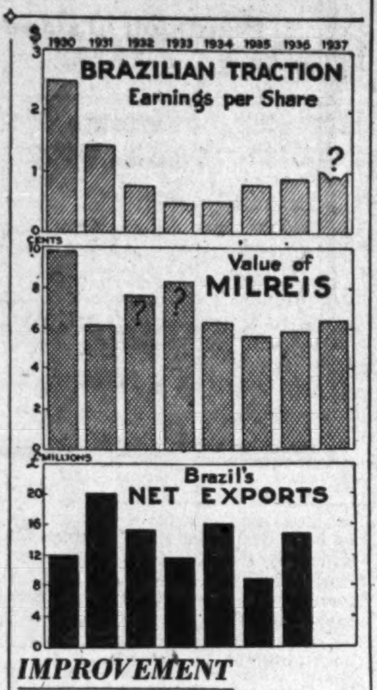
Exports Growing

Brazil's export trade reached an all-time high in 1936 in both tonnage and milreis value, according to Miller Lash, president of Brazilian Traction. The net balance of merchandise exports, expressed on a sterling paper basis, increased 63.88% over 1935.

The improvement is really more favorable than the bare figures show. Coffee, showing a decrease of 7.46% in quantity exported, was 3.68% under the average exports for the past 10 years. Expressed as a percentage of total Brazilian exports, coffee was 27.38% of the aggregate in 1936, against 33.3% in 1935 and 48.54% in 1934.

Cotton is gradually overtaking the predominant position of coffee in Brazilian exports. An increase of 44.49% in volume and 42.73% in gold value was shown by raw cotton exports in 1936. As a percentage of total Brazilian exports, raw cotton was 6.44% in volume and 19.08% in gold value in 1936. Corresponding figures for 1935 were 5.02% and 15.82% respectively.

The policy of destroying surplus stocks of coffee was continued in 1936, 3,731,154 bags having been destroyed in that year, bringing the total quantity eliminated by Dec. 31, 1936, to 39,532,486 bags. The quantity destroyed has been about 2¾ times total 1936 exports of coffee.



IMPROVEMENT

Charts above show fluctuations in per share earnings of Brazilian Traction, Light and Power Co. for the past seven years, the value of the milreis in cents at the end of each year and at the end of May in 1937, and fluctuations in Brazil's net exports. Although exchange rates were quoted at the end of 1932 and 1933, difficulty in buying or selling Brazilian exchange at that time makes these quotes shown with question marks only nominal.

Net Profits Up For Brazilian

$1.3 Million Added to Surplus — Operations Expanded

Brazilian Traction, Light & Power Co. reports net profits in 1936 equivalent to 88½ cents a share on the ordinary stock compared with 74 cents a share in 1935.

After paying dividends of 70 cents a share on the ordinary stock, $1.3 million was added to surplus.

Working capital shows a reduction of $1.6 million in 1936, which is small in view of cash expenditures of $12 millions on improvements to plants of the operating companies in the year. The increase in current liabilities is due to an advance of $5.9 millions in balances due to sundry creditors, attributable to the plant improvements; and also to inclusion of $2.8 millions for the dividend of 40 cents a share due Jan. 30, 1937. The principal increase in current assets was $2 millions in cash on hand, apparently in anticipation of the dividend.

Expenditures on plants have increased the combined capital assets to approximately $374.6 millions compared with $364.5 millions in 1935.

Results of the operating companies, which produce the income of Brazilian Traction, show that the improvement for the year was due entirely to higher operating revenues. Information is not available on the precise proportion of the improvement due to changes in the dollar value of Brazilian currency. However, the current assets and liabilities of the operating companies at Dec. 31 are stated in terms of the rate then prevailing in the free market for Brazilian currency in New York. The Brazilian currency unit (the milreis) stood at 5.95 cents in New York at the close of 1936 compared with 5.48 cents at the close of 1935, and is therefore partly responsible for the maintenance of the working capital position.

Results of Operating Companies
(Excluding inter-company items)

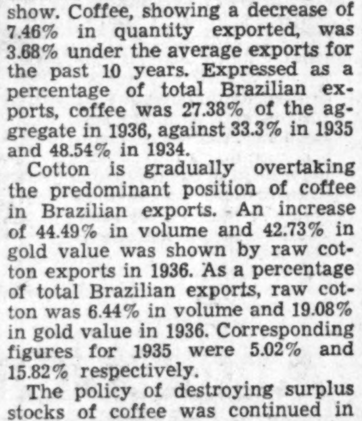
	1936 $	1935 $
Gross oper. earnings	32,197,610	30,221,757
Miscel. revenue	196,070	357,637
Total oper revenue	32,393,680	30,579,394
Less: Oper. expenses	14,507,503	14,144,485
Deprec. & renewals	8,286,742	8,008,054
Bond interest	1,984,786	2,000,103
Sinking funds, etc.	667,670	674,406
General amortiz.	500,000	500,000
Total charges of oper. companies	25,946,701	25,327,048
Revenue to Brazilian Traction	6,446,979	5,252,346

Brazilian Traction, Light & Power Co.
Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Net oper. revenue	6,446,979	5,252,346
Interest on invests.	96,978	77,419
Miscell. income	92,418	211,987
Total income	6,636,375	5,541,752
Less: Gen. & admin. exps.	354,300	298,963
Exec. remuneration	38,187	32,550
Net profit	6,243,888	5,210,239
Less: Pref. divds.	23,604	23,604
Ordinary divds.	4,915,587	......
Surplus for year	1,304,697	5,186,635
Add: Prev. surplus	29,585,722	24,399,087
Surplus forward	30,890,419	29,585,722

Working Capital Position

	1936 $	1935 $
Current assets	37,749,963	37,105,481
Current liabilities	17,580,285	13,339,444
Net working capital	22,169,678	23,766,037



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Western Steel Plan Approved

Creditors and Shareholders Unanimous in Adoption of Reorganization

From Our Own Correspondent

WINNIPEG.—All classes of creditors and shareholders have approved unanimously the plan for reorganization of Western Steel Products Ltd. The name of the company will be changed to Western Steel Products Corp.

More than half the outstanding bonds were represented and 60% of preferred shareholders attended the meetings. Unsecured creditors and common shareholders also voted approval.

G. T. Clarkson, Toronto, liquidator of the company, presided at the preferred shareholders' meetings. In reply to a question about reduction of the common shareholders' stock from 100,000 to 1,250 shares, he said that the shares were only considered as a nuisance value.

Results of Plan

Under the plan of reorganization, the receiver's certificates are to be settled by issue of $700,000 of 5% first mortgage bonds and bank borrowings of $300,000.

Present bondholders are to receive five shares of common stock for each $100 of bonds. Holders of preferred stock are to receive one common share for each preferred share. The present common shares will receive one new share for 80 old shares. Pre-receivership creditors are to get 1½ new common shares for each $100 of claims.

The effect of the reorganization is to give the company a surplus of current assets over current liabilities including the $300,000 bank loan.

Barcelona Again Defers Interest

War in Spain Prevents Payments Deferred Last November

Barcelona Traction, Light and Power Co. will not pay interest due June 1, 1937, on its two bond issues. Interest was first deferred last November following the seizure of the company's plants and all its funds and bank accounts in Spain.

The notice to bondholders reads in part as follows:

"Owing to the continued unsatisfactory condition of affairs in Spain involving, ..., the seizure and control, not only of the business but also the funds and banking accounts of the operating companies in Spain, the company has no alternative but to continue, for the time being, the suspension of the payment of interest and of the operation of the sinking funds ...."

Last September a "workers' committee" took over complete control of the enterprises of Barcelona Traction. Although Barcelona and the surrounding territory remain in the hands of the Government forces in Spain, press reports of conditions in the city indicate that riots and fighting have broken out among the government supporters. It is not known whether any actual damage has been done to the company's plants, but its future remains uncertain.

New England Power Merging Subsidiaries

From Our Own Correspondent

MONTREAL. — Application has been made by the Deerfield River Electric Co., an indirect subsidiary of New England Power Assoc., to the Securities and Exchange Commission for approval to substitute one share of stock of Northern Berkshire Gas Co. for the outstanding 2,000 shares of stock of Deerfield River Electric.

To enable Deerfield River Electric to consolidate with Northern Berkshire Gas, New England Power is exchanging its present holdings of all the capital stock of Deerfield River Electric for one share of Northern Berkshire Gas.

New England Power intends, upon payment to it of $115.59 by Massachusetts Electric Co. to instruct Northern Berkshire Gas to issue the one share direct to Massachusetts Lighting, which owns all the issuers outstanding stock.

Vickers' Business Up

MONTREAL. — Orders on the books of Canadian Vickers at present are well ahead of last year, according to a statement made by C. M. Rudel, president, at the annual meeting of shareholders. Further he said he looked for an improvement in business this year, and commented on the possibility of more orders for airplanes.

TRUST EXECUTIVE

Richard Hume Cronyn, who has been appointed trust executive of The Canada Trust Co., London, Ont. Mr. Cronyn has been assistant secretary of the company since 1931 and will have the trust services at the 15 Canada Trust branches under his charge.

Elect G. C. Leitch To Canada Bread

Directors Declare Extra on B Preferred — Balance of Arrears $2.50

Directors of Canada Bread Co. have declared an extra dividend of 12½ cents a share on the class B preferred stock and have elected Gordon C. Leitch as a director. Mr. Leitch, who is vice-president and managing director of Toronto Elevators Ltd., takes the place on the Canada Bread board of the late Dr. J. M. McConnell.

The regular dividend of 62½ cents a share and the extra of 12½ cents a share on the Canada Bread class B preferred stock are payable July 2 to shareholders of record June 15. The payments will leave arrears at $2.50 a share, or one year's dividend on the 5% shares of $50 par value.

The regular quarterly dividend of $1.25 a share on the first preferred stock has also been declared payable July 2 to shareholders of record June 15.

Saguenay Terminals Ltd. Calls Predecessor's Bonds

From Our Own Correspondent

MONTREAL.—Saguenay Terminals Ltd. has called for redemption all of the outstanding 5½% first mortgage bonds of its predecessor, La Compagnie Generale du Port de Chicoutimi. Payment will be made on July 1 at 102. In all there are $84,500 of the bonds outstanding. It is not the intention of Saguenay Terminals to refinance this issue. Consequently all the capital of the company will be owned by the Aluminum Co. of Canada.

Net Profits Up For Int. Hydro

Returns for First Quarter Indicate Improved Conditions

From Our Own Correspondent

MONTREAL.—Operations of International Hydro-Electric System for the first quarter resulted in a consolidated net profit of $627,152 as compared with $141,290 for the corresponding period a year ago.

Consolidated revenue increased $416,636 during the period; maintenance expenditures were reduced $225,841, largely because of non-recurring items in connection with the New England floods of last year; while operating expenses were practically unchanged.

Deductions from consolidated net operating earnings were slightly higher, increases in provision for depreciation and income taxes and a minority interest in net earnings of subsidiaries more than offsetting the reduction of $341,306 in consolidated interest charges resulting from purchase of bonds for sinking fund, etc., and the refunding operations by subsidiaries of New England Power Association carried out in 1936.

Comparative consolidated profit and loss statements for the first quarter of 1937 and 1936 follow:

Consolidated Profit and Loss
Quarter Ended March 31

	1937 $	1936 $
Operating revenue	16,119,215	15,552,209
Other income—net	732,352	882,722
Total revenue	16,851,567	16,434,931
Less: Oper. expenses	5,194,206	5,196,493
Maintenance	819,764	1,045,605
Taxes	1,969,495	1,935,667
	8,868,102	8,257,166
Less: Int. on debt of subsids.	2,919,897	3,261,203
Int. on debentures	398,520	398,520
Debt. discount	241,293	246,548
Depreciation	1,484,031	1,332,682
Income taxes	677,641	488,135
Divds. paid on subsid.	1,884,997	1,553,565
Divds. not paid on subsids.	255,104	586,575
Minority interest	373,468	248,648
Other charges	6,000	......
Net profit	627,151	141,290

Additional provision for depreciation was charged directly to surplus by a subsidiary in the amount of $1,750,000 during the 12 months ended March 31, 1937 and 1936.

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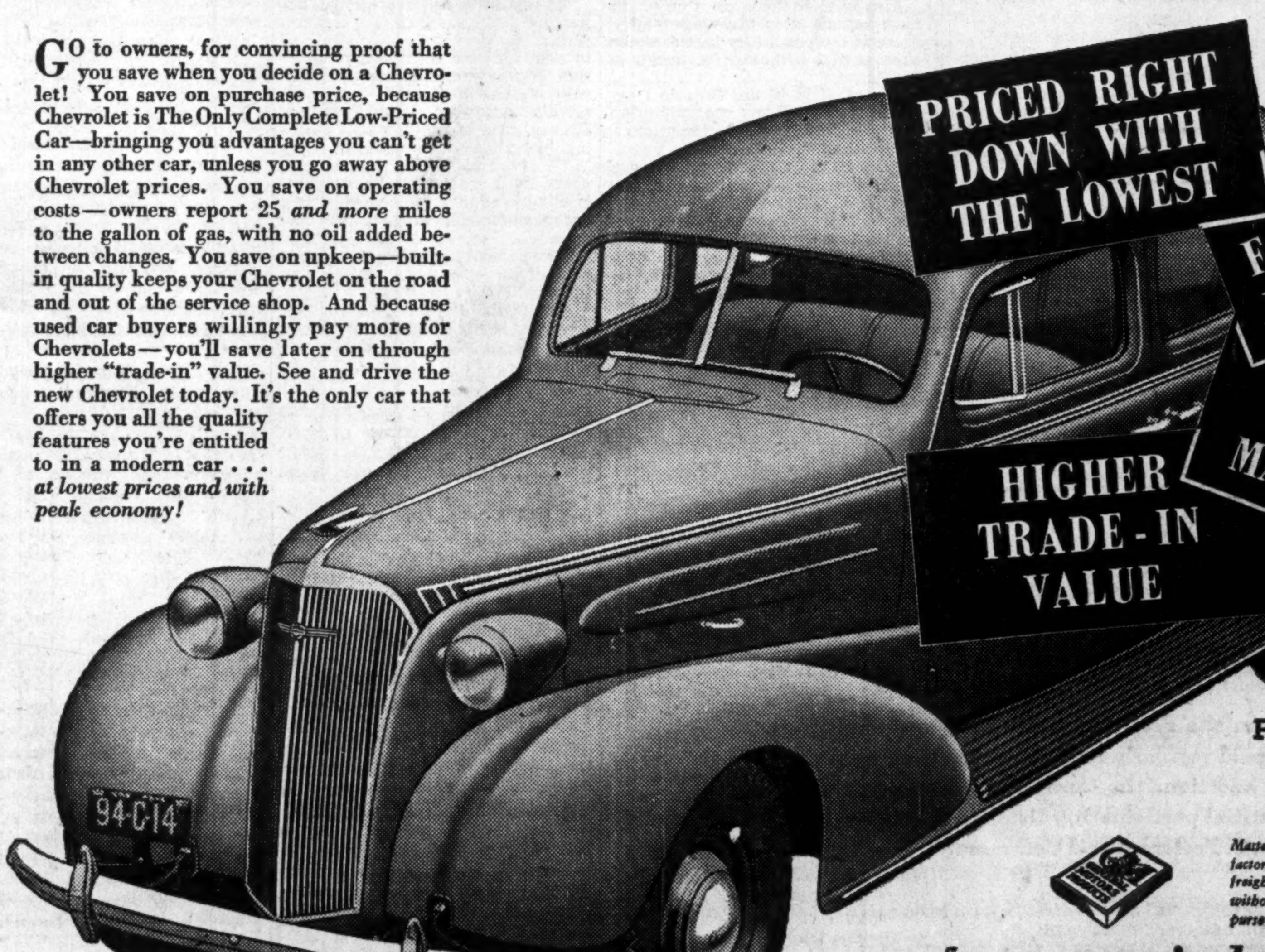
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Investment Trends

European Tension Adverse for Stocks

Harvest Results May Be Favorable Influence Later This Year — Dividends Appear to Justify Advance of Stock Prices

Increased tension in Europe over the international complications of the Spanish civil war naturally is not good for stock markets. Canadian and American securities markets have been affected only in minor degree by the various phases of European friction of the past two years.

One form of encouragement to the British investor to buy Canadian rather than American stocks is the withholding of tax on dividends. The United States is holding back 10% of the British dividends on American stocks but only 5% is held back by the Dominion Government. War scares, of course, usually mean liquidation of stocks held abroad, but stock prices in London have been greatly strengthened by abandonment of the proposed tax on the rate of increase of company profits. International stabilization of the current price for gold would also tend to strengthen stocks.

Continuation of labor trouble, particularly in American strikes, is adverse for business, and so for stock markets, in several ways. Besides cutting into earnings of the companies affected, strikes stop wage payments and interfere with general retail trade. Strikes also have a bad psychological effect on the businessmen who have to judge production and merchandising volume. However, reports of earnings so far this year have been largely favorable and there is the possibility that improvement in other directions, notably in higher farm income, will more than offset the ill effects of labor troubles.

Prospects For Stocks

It has never been definitely established to our satisfaction that there is a seasonal trend in stock market prices, although there appears very often to be a spring slump and summer dullness. With that as a warning against too dogmatic interpretation, it may be noted that the trend of share prices in 1937 has been distinctly similar to that of last year. It will be recalled that in 1936 prices touched the low for the year at the end of April. Then there was a period of comparative quiet until August when a pronounced rising price trend got under way.

One reason for development of a stronger trend in Canadian stock prices in the later months of the year is that the results of harvesting are highly important to the Canadian economy. This year, in particular, higher grain prices make the crop outcome an important potential influence on stocks. Another favorable possibility for later in the year is the newsprint price for the latter half of 1938.

* * *

European Influence

The recent weakness in stock prices was initiated on European markets, Paris, Berlin and London, because of the Spanish situation. It signifies the fear of official hostilities on a wider scale.

The experience in the Great War is available to the investor as an object lesson on the possible consequences of another European conflict. The first financial effect was liquidation of securities to raise cash, and a sharp slump in stocks and bonds. The longer run effects of the war were established as general economic loss from destruction of property. In between the initial search for liquidity and the ultimate economic headache, there was a period of artificial hilarity, in which business and stock markets were stimulated into delusions of grandeur, followed by a post-war collapse.

* * *

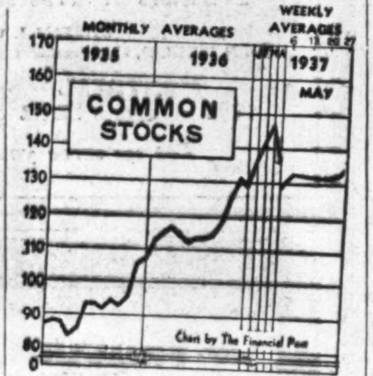
Dividends and Prices

That basic investment conditions justify the major part of the stock market advance of the past two years is indicated in the monthly index of dividends of 47 Canadian companies compiled by Nesbitt, Thomson & Co. Comparison with the Dominion Bureau Index of prices for common stocks shows the gain in dividend payments has outrun the net increase in average stock prices, as follows:

Common Stock Prices and Dividends

	Div. index	Price index
May, 1937	131.8	131.7
May, 1936	104.0	112.8
May, 1935	88.0	93.6
1-year rise	26.7%	16.8%
2-year rise	49.8%	40.7%

If the general level of interest rates rises, there should be an increase in dividend rates to justify maintenance of stock market prices.



MODERATE GAIN

The Dominion Bureau index for industrial stocks reflected the moderate recovery of prices at the close of May. Although the extreme low point was reached by the index at the close of April, the average for the month of May was lower than for the full month of April. Comparative figures appear on this page.

Fine Paper Prices Jump

Advance Buying Reported as Hedge Against Higher Prices

From Our Own Correspondent

MONTREAL.—Fine paper manufacturers put a general price increase into effect this week. On bond paper, the increase is about $7 a ton; writing and text papers, about $10 a ton, while ordinary book paper is advanced around $7 a ton.

This is the third price advance ordered by the manufacturers since last December and brings the price level to nearly 10% above that prevailing a year ago and within striking distance of the pre-depression high.

Operating at Capacity

Howard Smith Paper Mills, Provincial Paper, Rolland Paper and Fraser Companies stand to benefit from the higher prices. These companies have been reporting capacity operations for some time and it is understood that in the case of one or two, the volume of business on hand is so large, that deliveries cannot be guaranteed for some time.

An interesting situation is reported to be developing in the fine paper business, namely, the placing of contracts for advance deliveries. This is done by the buyer as a hedge against advancing prices. So much of this has been done that the fine paper manufacturers are reported to be considering the matter of refusing to take orders for future delivery because if the price dropped, they would be left with uncomfortably large inventories.

C. N. R. Records Sharp Gain in Net

From Our Own Correspondent

MONTREAL.—Gross revenues of Canadian National Railways increased $2 millions last month compared with April, 1936, while for the year to date the gain is $6.7 millions, compared with the first four months of 1936.

Detroit Tunnel Earns Interest

Continued Increase in Cross River Traffic Reported

First report of Detroit & Canada Tunnel Corp. since reorganization in Nov., 1936, covers the six-month period ended April 30, 1937. Net income for this period was sufficient to cover accrued interest on present first mortgage bonds.

Balance sheet as at April 30, 1937, shows total assets of $7.6 millions compared with $24.2 millions before reorganization. Funded debt outstanding is $2,550,000 of 5% first mortgage bonds due Nov. 1, 1966.

Increase in number of cars carried by the tunnel was 28.96% and in bus passengers 8.2% in the six months ended April 30, 1937, compared with the corresponding period of 1936. The second six months of the corporation's fiscal year includes the months of heaviest traffic and should result in a profit after all charges, according to George R. Cooke, president.

Consol. Income Account
Six Months Ended April 30

	1937 $
Tolls	229,422
Buses & spec. coach hire	114,241
Total oper. rev.	343,663
Add: Non-oper. rev.:	
Bus rental	2,575
Miscellaneous	2,384
Gross earnings	348,622
Less: Oper. exps.	100,855
Maintenance	32,095
Deprec. on tunnel	62,170
Deprec. on autos	11,303
Taxes	77,458
Net income	64,739
Less: Int. accr. on 1st mtge. bonds	63,750
Amort. of land	3,827
Deficit for period	2,838
Working Capital	
Current assets	1,106,423
Current liabilities	487,067
Working capital	619,356

Agreement Near on Abitibi Securities

(Continued from page 1)

prepared to fight against reorganization by judicial sale procedure.

As suggested in The Post two weeks ago, the preferred shareholders' committee may not have the support of Wood, Gundy & Co. which is interested in large holdings of preferred shares. Also, two groups with large investments in common stock will oppose reorganization by judicial sale which is the method that bondholders propose to use.

The liquidator is understood to be drafting a plan of arrangement by which the company may be removed from receivership through a compromise with bondholders under the Companies' Creditors Arrangements Act. It is understood to be based largely on the Wood, Gundy & Co. offer with revisions on the lines of the proposals of Harrison & Co. The liquidator's plan will aim at agreement among the groups that will dissent from the bondholders' judicial sale plan. It will be a sort of joint alternative to the bondholders' plan, but with due regard for the claims of bondholders. It is expected to contain a draft plan for raising new money.

In addition to the Wood, Gundy & Co. offer to the liquidator, and the proposals made by Harrison & Co., it is understood that an American group with good financial backing in the far west has made tentative suggestions to the liquidator with a view to submitting still another offer.

Finally after the various proposals for reorganization are made public there is the possibility that common shareholders will come forward with a scheme.

The attitude of the Ontario Government toward any reorganization plan is of considerable importance, as government approval is necessary. But the Government appears likely to leave contentious points of equity to security holders and the courts. The Government's main concern is to get the company out of receivership rather than to take sides in the reorganization scramble.

Canada Life Dividends Up

Increases on Participating Policies from 8% to 30%

The Canada Life Assurance Co. has announced an increase in the rates of dividend paid to participating policyholders, effective from July 1. The new rates will apply for a full year, not for a six months period as has been the practice in the last few years.

For policies issued at the rates adopted in May, 1934, and for ages 35 and under, the increases will be from 8 to 10%. At the older ages, they will be considerably higher. For example, at age 55, the increase will vary from 25 to 30%, depending on the plan.

Older Policies

Annual dividend policies, issued at the premium rates in effect before May, 1934, will yield approximately 9% more at the younger ages and early durations on the ordinary life plan. For older ages, longer durations and other plans, the increases will be less than this figure.

Special dividends for annual policies completing a five-year period will be more than doubled, as they will be 50% of the regular dividend at the end of the period, whereas formerly they were 25% of a dividend calculated at a lower rate.

There will be no change in the interest on dividends and proceeds of policies left on deposit with the company, the rate remaining at 3½%.

Gypsum Lime Ltd. Buys In Its Bonds Debt Reductions Made

(Continued from page 1)

remained a director and it is understood that he received compensation from the company, after cessation of his salary as an active official.

Col. The Hon. Henry Cockshutt was elected chairman of the board early in 1933, and Mr. Haire remained president. In 1934, Col. Cockshutt became president, but Mr. Haire remained on the board. At the 1937 meeting, Col. Cockshutt was re-elected chairman, and George A. Dobbie of Galt was promoted to the presidency. Other directors now are: J. R. Inksater, Paris; J. E. McConnell, London; S. G. Dixon, K.C., Montreal; William Armstrong, Winnipeg; and C. Gordon Cockshutt.

Stock Widely Scattered

Control of the company is not lodged with any one small group, but is scattered among the 4,000 shareholders. Considerable amounts of stock are held by brokers and investment dealers for account of various clients. It is therefore expected that solicitation of proxies may be on a fairly wide scale.

Recent purchases of the shares are understood to have been of good quality, reflecting informed opinion of the improved position of the company and increased sales this year.

The requisition for the special meeting is dated May 21 and directors are required to call the meeting within 21 days, or by June 11.

The requisition for the special meeting is signed by 48 shareholders out of a total of some 4,000, and representing 45,661 shares of the total of 440,043 outstanding. Mr. Andrews says the meeting is requested for the following stated purpose:

"To remove the present board of directors and to elect others in their place."

Official Comment

Mr. Andrews comments on this proposal as follows:

"This means that the shareholders are being asked to remove the entire board of directors who have, for several years, devoted time and thought to the rehabilitation of the company, and to elect seven other men, unnamed and unknown.

"Comparative figures quoted below, for the years 1932 (the last full year of the previous administration) to 1936, indicate consistent progressive improvement in operating results, reduction in costs, and a decidedly improved liquid position. This in spite of the fact that building permits have averaged only 21.7% of normal during the past four years. Bank loans have been entirely eliminated, and the company now has a comfortable working cash balance.

"The present board has the confidence of the company's bankers and financial houses generally."

Among the figures given by Mr. Andrews in his statement are these:

Statistics on Gypsum Lime

Year	Profit before deprec. $	Cash on hand $	Overhead exps. $
1932	*295,570	18,739	648,366
1933	55,081	12,020	361,649
1934	64,412	56,630	371,242
1935	120,132	143,006	368,242
1936	217,069	378,097	408,236

*Loss.

Mr. Andrews's figures also show elimination of $287,468 of bank loans and mortgages over the four years and reduction of $125,500 in the total of outstanding bonds. He also stresses the rise in market value of bonds from 25 to more than 100 and improvement in the price of the common shares.

Listed Bonds

Week Ended May 31, 1937

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	50½	50½	50½	50½

Features in the June issue
THE CANADIAN CHARTERED ACCOUNTANT
Municipal budgeting with respect to urban municipalities
Valuation of stock in trade or inventories
Accounting for revenue of time sales financing companies
Accounting by tabulating machines
Reference to tax system of United States
Published monthly, $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

Chamberlain Backs Anglo-U. S. Accord At Imperial Parley

(Continued from page 1)

Chamberlain might stand on the all important questions of a trade agreement with the United States and the modification of the system of Imperial preference to make such an agreement possible. As a traditional protectionist and as a member of the family that created and developed the policy of Imperial preferences he was expected to be adamant in maintaining both the new British tariffs and the Ottawa agreements unimpaired.

But Mr. Chamberlain has now made it clear that he does not regard a general policy of lower tariffs in the world as inconsistent with the maintenance of the British position and that he is prepared to make tariff concessions to attain world peace.

Support for Hull

With Mr. Chamberlain's blessing, the conference should not be long in granting wholehearted and unreserved backing to Mr. Hull in his effort. The support is not likely to take the form of a definite resolution to be agreed upon and published to the world. But deeds speak much louder than words at conferences and in diplomatic discussions, and the Dominions are making a really serious effort to clear the pathway for an Anglo-American trade pact.

Over the week-end, Mr. Chamberlain communicated to the Dominions delegates the full terms of the proposed treaty, which up to then had been discussed in only the most general terms. He asked the Dominions delegations to take the specific plan into their private meetings and come back later on prepared to indicate how far each one would go in making concessions, either by way of giving up some of their advantages in the United Kingdom market or in other directions.

This week will see the overseas prime ministers and their associates busy at the task of examining the detailed United States proposals to discover the extent to which their acceptance by Britain would injure Dominions exports to the British market and to explore the possibilities of quid pro quo compensation in the United States market or elsewhere.

Foreign Markets

It should be emphasized that direct concessions by the United States to the United Kingdom, Canada and other Dominions in the American market are only part of the picture. Washington has indicated that it is in a position to aid the British countries in obtaining a larger share of the possible business in many foreign markets, notably South America, where the United States has been firmly entrenching its position in recent years.

The progress that has been made at London this week strengthens the hopes, that have been held by the Dominions delegates, that ultimately gold will emerge from the welter of discussions unchanged in price. There is much less assurance of continued currency stabilization around present temporary parities.

Name O. B. Thornton To Dominick Corp.

Osmond B. Thornton, formerly assistant manager of The Royal Bank of Canada at Toronto, has been appointed vice-president of Dominick Corporation of Canada, Montreal.

Dominick Corp. of Canada is the corporate affiliate of Dominick and Dominick, New York Stock Exchange firm.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	186.2	139.3	203.5	586.7	228.8	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	618.2	241.7	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	538.9	224.1	64.1	136.2
Weekly Figures, 1937:												
May 6	154.5	41.5	111.1	227.9	78.0	178.2	129.9	190.7	524.9	216.5	62.3	131.9
May 13	151.4	37.1	110.6	229.6	77.9	179.6	127.8	189.3	518.4	215.3	62.4	131.5
May 20	147.8	37.0	107.1	229.2	77.1	177.7	127.5	184.4	524.9	215.5	62.4	131.5
May 27	150.0	38.1	106.5	231.5	77.2	178.3	128.6	188.9	532.2	218.2	63.9	133.3

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 1	164.55	119.81	157.62
May 31	165.42	120.28	158.14
May 29	168.00	123.77	160.51
May 28	167.72	123.04	162.47
May 27	168.69	124.31	161.88
May 26	167.23	127.75	163.47
Month ago	164.69	131.14	162.34
Year ago	129.09	139.92	130.06
High, 1937	187.67	168.59	215.36
Low, 1937	157.82	119.22	151.03

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 1	77.7	107.4	97.5
May 31	77.3	106.9	97.0
May 29	78.1	109.3	98.9
May 28	78.7	108.7	97.8
May 27	78.1	107.0	97.4
May 26	77.8	106.5	96.9
Month ago	78.7	108.5	96.6
Year ago	69.1	71.5	70.7
High, 1937	92.5	122.2	109.5
Low, 1937	74.8	100.3	92.3

For Investment—
Dominion of Canada Bonds
Security
Marketability
Income
3¼% Conversion Loan Bonds
Due June 1st, 1949
Callable at 100 on or after June 1st, 1946
Denominations: $100, $500 and $1,000.
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A copy of the prospectus has been filed with the Secretary of State in accordance with the provisions of the Companies Act, 1934

REFUNDING ISSUE

$2,520,000

The Ottawa Electric Railway Company

First Mortgage Serial Bonds

To be dated July 2nd, 1937

$ 420,000 3 % Bonds due serially July 2nd, 1938-1940
280,000 3½% Bonds due serially July 2nd, 1941-1942
700,000 4 % Bonds due serially July 2nd, 1943-1947
1,120,000 4½% Bonds due serially July 2nd, 1948-1955

Principal and half-yearly interest (January 2nd and July 2nd), and redemption premium, if any, payable in lawful money of Canada, at the holder's option, at the offices of the Company's bankers in Ottawa, Montreal, Toronto, Halifax, Saint John, Winnipeg, Regina, Edmonton, Vancouver and Victoria. Coupon bonds, registerable as to principal only, in denominations of $1,000 as to all maturities and $500 as to all 4½% coupon bonds only. Redeemable at the option of the Company at any time prior to July 2nd, 1955, as to the whole amount of bonds remaining outstanding at the time of redemption, but not in part, upon thirty days' notice, at a price, in respect of each serial maturity, of 100 and accrued interest to date of redemption plus a premium of ¼ of 1% for each full year to elapse between the date of redemption and the respective maturity.

Trustee: The Royal Trust Company

In the opinion of our Counsel, these Bonds will be a legal investment under the Canadian and British Insurance Companies Act, 1932, for funds of insurance companies registered under that Act.

We offer these bonds, subject to prior sale, for delivery if, as and when issued and received by us and subject to approval of legal matters in connection with their issue by Messrs. Quain & Wilson of Ottawa, on behalf of the Company and Messrs. Stairs, Dixon & Claxton of Montreal, on our behalf, at the following prices, accrued interest to be added in each case:—

Schedule of Maturities and Prices

Maturity	Coupon Rate	Principal Amount	Price	Yield
July 2nd, 1938	3 %	$140,000	100	3.00%
July 2nd, 1939	3 %	140,000	99¾	3.13%
July 2nd, 1940	3 %	140,000	99⅜	3.22%
July 2nd, 1941	3½%	140,000	100	3.50%
July 2nd, 1942	3½%	140,000	99½	3.61%
July 2nd, 1943	4 %	140,000	99½	4.10%
July 2nd, 1944	4 %	140,000	99	4.17%
July 2nd, 1945	4 %	140,000	98½	4.22%
July 2nd, 1946	4 %	140,000	98	4.27%
July 2nd, 1947	4 %	140,000	97½	4.31%
July 2nd, 1948	4½%	140,000	100	4.50%
July 2nd, 1949	4½%	140,000	99½	4.56%
July 2nd, 1950	4½%	140,000	98½	4.66%
July 2nd, 1951	4½%	140,000	97¾	4.72%
July 2nd, 1952	4½%	140,000	97¼	4.76%
July 2nd, 1953	4½%	140,000	96¾	4.79%
July 2nd, 1954	4½%	140,000	96½	4.80%
July 2nd, 1955	4½%	140,000	96¼	4.81%

Interim certificates or definitive bonds are expected to be ready for delivery on or about July 2nd, 1937.

McTaggart, Hannaford, Birks & Gordon, Limited
Hanson Bros., Incorporated
L. G. Beaubien & Company, Limited
R. A. Daly Company, Limited
Laurence Smith & Company, Limited
R. O. Sweezey & Company, Limited

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein made to be true.

A Valuable Unlimited Participating Feature

After equal dividends have been paid on the Preferred and Common shares of International Bronze Powders, Limited, in any one year, both classes of stock participate in any further distribution of dividends in that year.

Dividends on the Preferred Stock at the rate of 6% have been paid regularly each year since the stock was issued. In addition, the Company has recently declared an initial participating dividend of 25 cents per share on both Preferred and Common.

We recommend as an attractive investment
INTERNATIONAL BRONZE POWDERS LIMITED
6% Cumulative Participating Preferred Stock
(Non-callable)
Price: On application
NESBITT, THOMSON & COMPANY
LIMITED
355 St. James Street West, Montreal, P.Q.
Branches in the principal cities of Canada
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Despite the Depression!

Even during depression years, the total resources of Investors Syndicate continued to increase substantially. Now, they total $90,889,855—a tribute to the stability, strength, and conservatism of an institution that has helped thousands to achieve financial independence.

In Canada, the LIVING PROTECTION plan of Investors Syndicate is being used by thousands of Canadians throughout the Dominion to build up a financial reserve for their maturer years. Under this plan, a little set aside each month—regularly—returns a sizeable little fortune in 180 months.

During the past seven years of depression and recovery, Investors Syndicate has paid out to its contract-holders no less a sum than $55,352,834.

Our booklet "A New Plan of Life" tells you all about the plan. Your copy awaits your request.

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INVESTORS SYNDICATE LIMITED
(Head Office: Montreal)
and INVESTORS SYNDICATE
(Head Office: Minneapolis)
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TORONTO, ONT.
at St. John, N.B., Montreal, P.Q., Sherbrooke, P.Q., Three Rivers, P.Q., Hamilton, Ont., Windsor, Ont., Winnipeg, Man., Regina, Sask., Calgary, Alta., Edmonton, Alta., Lethbridge, Alta., Vancouver, B.C., Victoria, B.C., Cranbrook, B.C., and Vernon, B.C.

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Stocks of companies whose earnings are increasing. We have prepared analyses of two and a government bond that should improve in value.

1. Government bond. Should double within year. Pays 3½%. Selling around 20.

2. Industrial Common stock of paper company. Earnings doubled last year and should double again this year. Very sound company. No bonds or bank loan. Cash position strong. Market $7.

3. Gold stock. Dividends increased each year. Earnings expected to increase 40%. Market $26. Should double in value.

In writing please specify type of security you would be interested in.

H. J. DINGMAN & CO.
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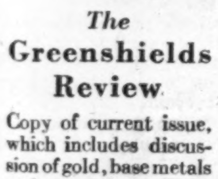

The
Greenshields
Review

Copy of current issue, which includes discussion of gold, base metals and newsprint, will be sent anyone interested.

Ask for Review P1

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CANADIAN
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Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

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Bond Markets

Treasury Bills Cost Records Sharp Drop

Prices of High-grade Government Bonds Advance Sharply—Bondholders to Protest Proposed Cut in Interest on Moose Jaw Bonds

If the cost of short-term money can be taken as an index of the probable trend of the bond market over the next few months, then it would appear that investors can expect a continuance of low yields.

Cost of treasury bill financing to the Dominion Government showed a sharp reduction this week when an issue of $20 millions of 92-day treasury bills was sold at an average price of 99.82829, which represents an average cost to the Government of .678%. This is the best price obtained to date, and the lowest cost secured since the record low of .643% in September last. On Jan. 15, the yield on treasury bills was .747%, and on March 15, .805%.

Responding to increased buying, high-grade government bonds have advanced sharply in price, The Financial Post index rising to its highest level since late in February.

Excellent reception is reported for the $2.5 millions refunding issue of the Ottawa Electric Railway Co. This is the first piece of corporation refunding to be undertaken in almost three months. If the market continues to show strength, others may follow.

More than $2 millions of the City of Hamilton $2.4 millions issue have been sold.

The Ontario Municipal Board is expected to issue its final order on the Windsor refinancing shortly. New bonds will not be ready for exchange before Aug. 1 at least.

Moose Jaw Protest

Institutional investors of the city of Moose Jaw debentures have decided to protest the order of the Local Government Board of Saskatchewan providing for a 40% reduction in interest on that city's bonds from July 1, 1937, to June 30, 1938, with the minimum rate being not less than 3%.

A bondholders' protective committee has been formed and bondholders are being circularized for proxies. If 20% of the outstanding bonds are voted against the order and a petition filed by June 13, the reduction cannot become operative. F. H. Hancock, of the Dominion Mortgage and Investment Association, 302 Bay St., Toronto, is secretary of the committee.

Moose Jaw debenture holders in western Canada are being asked to send completed forms of the petition to F. L. Hancock, care of Houston, Willoughly & Co., Regina.

As a result of the order of the Local Government Board, the London Stock Exchange has removed the official list quotations for Moose Jaw debentures. A large amount of Moose Jaw debentures are held in Great Britain.

* * *

Edmonton's Plan

Under the plan of adjustment for the debt of the city of Edmonton, as previously approved, 6% and 7% debentures were to be adjusted to a 4½% basis by the payment of a premium in cash.

The city council has now decided to pay present interest rates to the original maturity dates and 4½% thereafter. Funds which were to have been used to pay the premium are to be utilized for some much needed capital expenditures.

Three 6% issues, however, are excepted from the change in the plan and are to be dealt with as originally planned. These are 6% debentures maturing in 1960, 1962 and 1963, totalling $65,932. The premium to be paid on these issues to reduce them to a 4½% basis is $15,000.

* * *

Market Trend

The price trend for corporation bonds has been erratic. Prices of newsprint bonds have strengthened slightly and better sentiment has been in evidence in regard to Quebec public utility issues.

The market for western provincials has been quiet. Alberta issues have recorded minor advances, while British Columbia, Saskatchewan and Manitoba bonds have been on the soft side.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
June 1	113.69	3.300	June 1	114.96	3.261
May 31	113.73	3.289	May 30	114.91	3.264
May 29	113.79	3.283	May 29	114.90	3.265
May 28	113.78	3.284	May 28	114.84	3.268
May 27	113.65	3.296	May 27	114.81	3.272
May 26	113.50	3.310	May 26	114.78	3.273
Year's	116.81	3.026	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Paper, A	6%	1945	June 4	103½
Avon River Pr. D.	5%	1964	July 1	103
Can. Steamships	5%	1943	Aug. 15	105
Mar. T. & T., A	5%	1956	July 1	104
Simpson, Robt.	5%	1952	July 1	105
Aluminium	*5%	1948	July 1	105
Asbestos Corp.	6%	1941	July 1	100
Do.	3-3½	1937-8-9	July 1	..
Cred. Fon. Franco Can.	4½%	1956	July 1	100
Metropolitan Bldg.	7%	1944	July 15	103
La Comp. Gen. du Port de Chicoutimi	5½%	Serial	July 1	102
*Bonds redeemed called by lot.				
Stock Issues:				
Can. For. Invest.	†8%	pref.	July 1	105
†$100,000.				
Religious Issues:	Rate	Year	Date	Price
Soeurs de Charité d'Halifax	6½%	1937	July 1	105
R. C. Bishop St. John	5%	1939	July 1	101
Hotel Dieu St.-Valier, Chicoutimi	5%	1937	Oct. 1	...

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Industrial Opportunities
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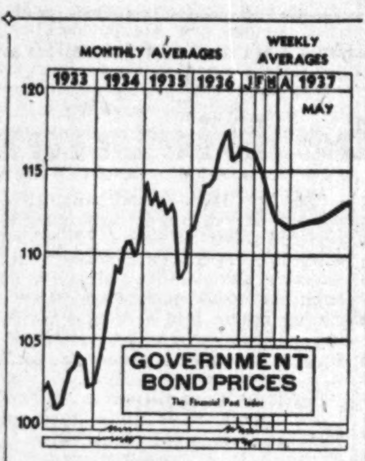
Write: W. C. Atkinson, Commissioner, Midland, Ont., Chamber of Commerce.

FOR SALE BY TENDER

Complete Assets including Manufacturing Plant, huge deposits, patents, formulae, Trade Marks, and etc. Located in the Prov. of Saskatchewan and appraised at $193,000.00. Highest tender accepted subject only to very small indebtedness. Tenders close 30 days from date of publication. For further information apply to: Box 65, The Financial Post, Toronto.



Bond Sales

Kentville

The town of Kentville, N.S., has sold an issue of $25,000 of 4% bonds, due 1957, to R. A. Daly & Co., Toronto, at 100.82, which is a cost basis of 3.94%. Bids were as follows:

R. A. Daly & Co.	100.82
Royal Securities Corp.	99.73
J. C. McIntosh & Co.	99.52
Nova Scotia Bond Corp.	99.31
Cornell, McGillivray Ltd.	99.03
Eastern Securities Co.	98.87
T. G. Douglas Ltd.	98.76

* * *

Westminster Twp.

Township of Westminster, Ont., has sold an issue of $10,400 of 3½% 10-year installment debentures to Midland Securities Corp., London. The price paid for the issue was 99.67, equivalent to a cost basis of approximately 3.57%. Proceeds of the issue are to be used for school purposes.

* * *

Pictou, N.S.

The town of Pictou, N.S., has sold an issue of $33,000 of 3½% debentures to Irving, Brennan & Co., Halifax, at a price of 95.27. Proceeds of the issue are to defray the cost of a street paving programme.

* * *

Hamilton

Good reception is reported for the city of Hamilton issue of $2,482,673 which was sold on May 27 to a syndicate composed of the Bank of Montreal, McLeod, Young, Weir & Co. and Bell, Gouinlock & Co. The issue consists of two allotments: $2,000,000 of 3½% 20-year installment bonds; and $482,673 of 2½% 10-year installment bonds. The combined price for the issue was 98.054 or a cost basis to the city of 3.65%.

Bids by various syndicates are given below. In each case only the name of the syndicate manager is given.

	Bids
Bank of Montreal	98.054
R A. Daly & Co.	97.74
J, L. Graham & Co.	97.42
Royal Securities Corp.	97.169
Dominion Securities Corp.	96.266

* * *

CORRECTION

Under the "Weekly Record of Financing in Canada" in the issue of May 22 La Corp. de Prets de Quebec was shown as the underwriters of the $390,000 of 4% bonds, due 1938-52, of the Fabrique de la Nativite de la Ste. Vierge. The actual underwriters of the issue were General Finance Co., Inc., Montreal, La Corp. de Prets de Quebec merely having a participation in the issue.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	May 22	May 25	May 26	May 27	May 28	May 29
U. S. Dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]
Low	.99⅞	.99⅞	.99⅞	.99⅞	.99[illegible]	.99[illegible]
1936 High	1.00⅜	1.00 1/16	1.00 1/32	1.00 1/16	1.00 1/32	1.00 1/16
Low	1.00[illegible]	1.00[illegible]	1.00 1/16	1.00[illegible]	1.00⅛	1.00[illegible]
U. K. pound	4.93¾	4.93⅝	4.93¾	4.93¾	4.93½	4.93⅝
Australia	3.95⅛	3.95	3.94¼	3.95⅛	3.95	3.94⅞
Austria	.1873¼	.1872⅝	.1873¼	.1873¼	.1873⅞	.1873⅞
Belgium	.1685½	.1684⅝	.1685⅝	.1687	.1687	.1685⅝
Brazil	.0647	.0647	.0650	.0647	.0647	.0650
Czechoslovakia	.0348½	.0348⅝	.0348½	.0348½	.0348⅝	.0348½
Denmark	.2206	.2204¼	.2205	.2204½	.2203⅛	.2203⅝
France	.0445¾	.0446⅞	.0446¾	.0446½	.0446	.0445⅞
Germany	.4014¼	.4010½	.4012¼	.4012¾	.4013½	.4012½
Greece	.0090¾	.0090⅝	.0090¾	.0090¾	.0090⅝	.0090¾
Holland	.5494⅜	.5492⅛	.5493⅞	.5493⅞	.5495	.5493
Hungary	.1973¼	.1972½	.1973¼	.1973¼	.1973¾	.1974¾
India	.3731½	.3730⅝	3730½	.3732½	.3733⅝	.3729⅝
Italy	.0525¾	.0525½	.0525¾	.0525¾	.0526	.0526
Japan	.2878¼	.2878⅜	.2878¼	.2877¼	.2877¼	.2874¼
Jugoslavia	.0233¼	.0233¼	.0233¼	.0233¼	.0233⅝	.0233⅝
New Zealand	3.98⅛	3.98	3.98¼	3.98⅛	3.98	3.97⅞
Norway	.2482⅝	.2481⅜	.2481⅝	.2481⅝	.2481	.2482½
Poland	.1896	.1896	.1896	.1896	....	....
South Africa	4.92¾	4.92⅝	4.92¾	4.92¾	4.91½	4.92⅝
Sweden	.2547⅝	.2546⅝	.2545⅝	.2546⅛	.2545	.2544½
Switzerland	.2285⅛	.2284⅜	.2284⅛	.2284½	.2283½	.2279½
Hong Kong	.3052⅛	.3048¼	.3051⅛	.3052⅛	.3053	.3050

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Algoma Steel Earnings Drop

Net Profits for Year Are Equivalent to 20 Cents a Share

Algoma Steel Corp., Sault Ste. Marie, reports a sharp decline in earnings in the year ended Apr. 30, 1937, net profit for the year being equivalent to only 20 cents a share on the common stock, compared with $1.05 a share in the previous year. Earnings on the 5% preference stock amounted to $8.63 a share as compared with $22.41 a share in the 1935-36 fiscal period.

Total sales for the year showed an increase of about $400,000. Production costs, however, jumped $916,000 as a result of increases in prices of raw materials and higher wages. Heavy initial costs in connection with new products have also been a factor in the lower earnings.

Working capital improved during the year by $800,000. Bank loans were reduced by $1.5 million to $857,000.

During the year 2,160 preference shares were converted into common shares, reducing the number of preferred outstanding to 22,015.

The company has announced that it has awarded a contract for the construction of 53 new coke ovens to Wilputte Coke Oven Corp., New York. The new ovens will replace an obsolete battery which has not been in use since 1930 and will increase the daily capacity 650 tons. The cost will be $800,000 to $900,000.

Income and Surplus Account
Years Ended Apr. 30

	1937 $	1936 $
Sales	9,640,438	9,240,173
Less: Sell. & ship. exps.	217,886	226,959
Cost of prod. sold	8,665,681	7,749,072
Operating profit	756,871	1,264,142
Add: Other income	56,860	......
Less: Interest on loans	75,681	63,420
Depreciation	540,918	535,767
Income taxes	7,210	123,140
Surplus for period	189,922	541,815
Add: Previous surplus	541,815	......
	731,737	541,815

Working Capital

	1937 $	1936 $
Current assets	5,946,197	6,335,390
Current liabilities	1,946,391	3,130,505
Working capital	4,000,806	3,204,885

Can. Breweries Cuts Net Loss

Canadian Breweries Ltd., formerly Brewing Corp. of Canada, reports a much smaller net loss in the three months ended Apr. 30, 1937, than in the corresponding period of 1936. For the year ended Apr. 30, 1937, profits were somewhat larger than in the corresponding period a year earlier.

The company's unaudited balance sheet as at Apr. 30, 1937, shows a total capital and distributable surplus of $1,819,969 compared with $1,967,547 at Oct. 31, 1936.

Income Account
Three Months Ended Apr. 30

	1937 $	1936 $
Oper. profit	671,833	554,941
Less: Taxes	610,643	567,930
Net oper. profit	61,190	*12,989
Add: Other income	14,831	26,419
Total income	76,021	13,430
Less: Interest	25,666	18,982
Depreciation	75,945	93,658
Loss for period	25,590	99,210

*Loss.

Income Account
Years Ended Apr. 30

	1937 $	1936 $
Oper. profit	3,054,226	3,041,623
Less: Taxes	2,452,244	2,411,500
Net oper. profit	601,982	630,123
Add: Other income	68,573	29,733
Total income	670,555	659,856
Less: Interest	103,067	70,133
Depreciation	332,099	376,439
Profit for period	235,389	213,284

Working Capital

	1937 $	1936 $
Current assets	2,799,302	2,479,319
Current liabilities	1,405,892	1,304,625
Working capital	1,393,410	1,174,694

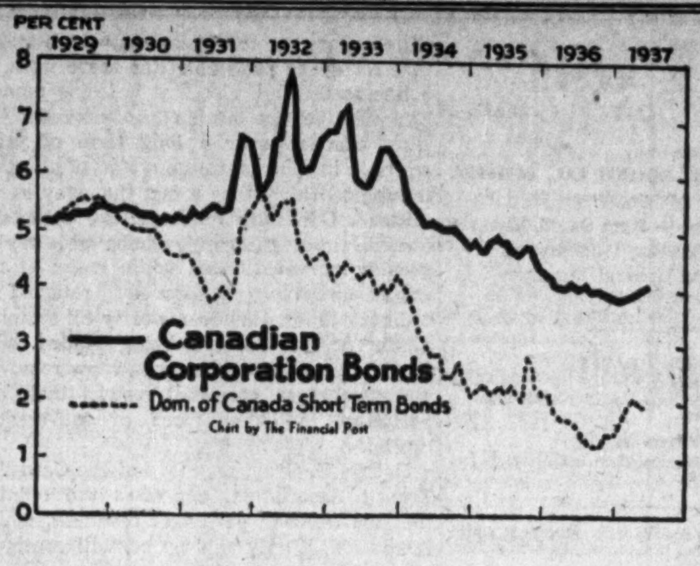

Chart by The Financial Post

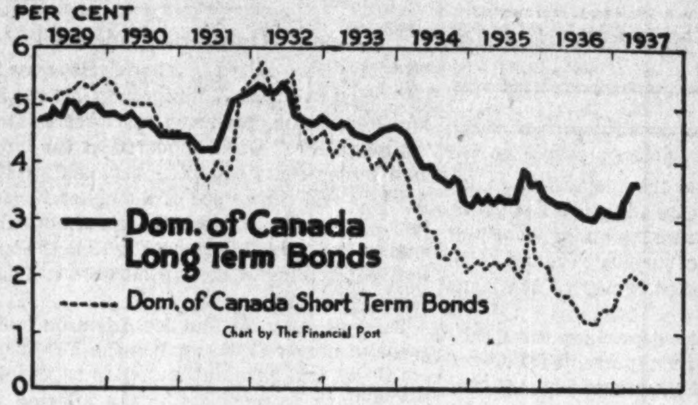

Chart by The Financial Post

HIGH-GRADE BOND YIELDS

Depicted above is the course of the yields on high-grade Canadian bonds since 1929, shown by Stanley E. Nixon of the Dominion Securities Corp., Montreal, in graphs accompanying a paper read before the Canadian Political Science Association at Hamilton recently.

The outstanding development in the course of interest returns since 1929 has been the extensive decline after 1932 in the rates of return obtainable from most of the important types of loan investment. The decline has not been confined to yields on high-grade bonds, but also to the rate of return on savings deposits, bank loans and mortgages.

A significant feature of the decline has been the unprecedented degree of divergence between rates of return on short and long-term bonds. This separation in yields has persisted since August, 1932, the difference in rates of return reaching its maximum point of divergence in October, 1936, when the average yield on a selected group of short-term government bonds amounted to only 41.7% of the average yield on long-term government bonds. This divergence indicates that there is still a large surplus of funds seeking short-term investments.

Security Offerings

Ottawa Electric Railway

From Our Own Correspondent

MONTREAL.—McTaggart, Hannaford, Birks and Gordon head a syndicate making a public offering of $2.5 millions of first mortgage serial bonds of Ottawa Electric Railway Co. The issue will replace one of $2.2 millions of 5½% bonds, which is pledged as collateral security for a similar outstanding amount of 5½% bonds of Ottawa Traction Co., which latter issue has been called for redemption at July 1.

Upon completion of this transaction, it is the intention to wind up Ottawa Traction Co. by distributing to its shareholders its holdings of 35,047 shares to the Ottawa Electric Railway Co.

$2,520,000
Ottawa Electric Railway Co.
First Mortgage Serial Bonds

Dated July 2, 1937: $420,000 3% bonds due serially July 2, 1938-1940; $280,000 3½% bonds due serially July 2, 1941-1942; $700,000 4% bonds due serially July 2, 1943-1947; and $1,120,000 4½% bonds due serially July 2, 1948-1955.

Principal and interest payable in Canadian funds only. Redeemable at any time prior to July 2, 1955, on 30 days notice at varying premiums.

Company—Owns entire electric street railway system of Ottawa and suburbs and certain connecting lines with Hull. Operating equipment includes 118 one-man operator passenger cars and 22 motor buses, together with 25 service vehicles and necessary car barns and repair shops. The company also owns hydro-electric power developments within the city limits from which 50% to 80% of its power requirements are obtained, the balance being purchased under contracts.

Security—Direct obligation of the company, constituting a first mortgage on all properties of the company.

Assets—Fixed assets, exclusive of water power rights, had a replacement value in 1936 of $7.4 millions and "actual" value of $5,272,252. Total fixed assets at the end of 1936 amounted to $6.9 millions and depreciation reserve to $2.6 millions.

Earnings—Net earnings available for bond interest, after depreciation, have averaged $238,792 in the last four years.

Franchise—The company operates under the original franchise of its predecessor company, all ratified by the Dominion Parliament or by Ontario legislation, where such ratification was necessary.

Offered—By McTaggart, Hannaford Birks and Gordon; Hanson Bros. Inc.; L. G. Beaubien & Co.; R. A. Daly & Co.; Laurence Smith & Co.; and R. O. Sweezey & Co., at prices to yield from 3% to 4.81%.

We offer
$50,000
Province of Ontario
3% Bonds
Due January 15, 1955
Payable in Canada
Price 94.75 and Interest
to Yield About 3.39%
BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTO WINNIPEG

YOU MAY NOW MOTOR DIRECT TO THE ROYAL MUSKOKA.

The Royal Muskoka

Plan to enjoy your vacation at this spacious hotel overlooking beautiful Lake Rosseau in the rugged Highlands of Ontario. 170 outside rooms with hot and cold water; suites or furnished cottages. Revel in the full joy of an outdoor vacation. An attractive golf course, excellent water sports, and dancing to the music of Loren Cassina's Internationally famous orchestra. Excellent cuisine.

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Making Temperance Easy

PROHIBITION, it has been definitely proved, does not make temperance easy. In fact it makes drunkenness "smart".

We—the Brewing Industry—submit that the path of moderation is the way to true temperance.

We realize that our championship of the present law in Ontario will be ascribed by prohibitionists to self interest.

For it is true that we are in business to earn money. In fact directly and indirectly we provide a living for thousands.

This circumstance however does not prevent us from having the same sense of social responsibility as other decent citizens.

In fact, to make temperance easy is our only sensible policy, because in a temperate community agitators for prohibition can get no foothold.

And we know that in fact only by temperance winning its battle, can we defeat the bootlegger and save this province from the evils he brings.

Consider what has already been achieved since the repeal of prohibition...

Respect for law and order is being restored...

Secret drinking has been reduced to the minimum...

Illicit manufacture has been made unprofitable...

Youth is no longer faced with the temptation to consider law-breaking clever, drunkenness a distinction!

Let us maintain these advantages. Let us not play into the hands of the bootlegger by substituting prohibition for self-control.

● This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.

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TORONTO, JUNE 5, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Lewis Seeks Dictatorship

IF THE picture of John L. Lewis, painted by Gordon Caroll in the American Mercury is at all fair and accurate, Canadian workers who join the C.I.O. drive are dupes of a master strategist who seeks nothing but dictatorial power and cares not whether he achieve it as the Stalin of a Communist revolution or Der Fuehrer of a Fascist regime.

Today, Lewis is the man to whom senators and Congressmen make obeisance, who has enlisted the White House in his effort to become the American dictator, who uses cabinet ministers as pawns in his game. "Ruthless, sanguine, even brutal when it suits his ends, he is a Colossus in an era of gaudy humanitarianism."

It is not through chance but long-planned strategy that he has turned to the militant assistance of the Communist party. Once he railed bitterly against the Communists. That was before he realized that the masses were ready for a leader. Today, he has a Communist general staff while he looks at ease in evening clothes and drives with a liveried chauffeur.

He talks passionately of Democracy but he has fixed things so that he personally controls the entire C.I.O. organization and each union. The democratic forms of the C.I.O. are as hollow a sham as those of the Nazis in Germany. He has made the class struggle a reality in American life. But whether he will ultimately turn to the Right or to the Left remains to be seen. Expediency will determine his course and, if it seems the easiest way, he will turn the C.I.O. into a Fascist dictatorship just as easily as into a Communist dictatorship. He will not reveal his plans in advance; first, he must destroy the A. F. of L., then put an end to liberalism in any form.

What do Canadian workers hope to gain from giving their allegiance to such a man? Are they content to help such a man toward the goal of overlordship? European dictators rode to power, drawn by willing workmen who were impressed with what they promised to do for "Labor." Will history repeat itself on this continent and make John L. Lewis the Stalin, the Hitler or the Mussolini of the United States? Mr. Carroll's well documented article makes that seem a strong possibility. And if and when it happens how will Canadian workers enjoy being bound in chains to a foreign dictator setting up a branch state in Canada?

Sweden Repays Crisis Loans

SWEDEN has been referred to as a model country so far as its handling of the problems of depression is concerned.

Propagandists for the co-operative movement point to Sweden and say that co-operation on a large scale brought the country out of crisis.

Advocates of managed currencies point to Sweden as evidence that currencies can be managed for both recovery and stability.

Those who think Canada ought to be a member of the sterling bloc have made much of the fact that Sweden is a member of the sterling bloc.

Most of those who have attempted to draw lessons from Sweden to suit their particular purposes have failed to stress the homogeneity of Sweden's population; the frugality, industry and evident common sense of the people; the country's simple economic structure; and the comparative lack of conflict between the economic aims of its various geographical sectors. All these have been important factors in Sweden's recovery.

Another phase of economic management in Sweden has received much study. This is the deliberate unbalancing of the budget, which permitted the government to take up the slack of unemployment left when private business was hit by the world depression. Not enough has been made of the fact that when Sweden indulged in budget deficits, it did so according to a plan. Part of the plan provided that, when recovery came the country would repay the debts it had incurred through governmental deficits. Sweden has carried through with its plan and today is repaying its depression debts.

Professor Bertil Ohlin, the eminent Swedish economist, told the story to the Canadian Club of Montreal two or three weeks ago.

He said that the Swedish people asked themselves why they should attempt to balance the governmental budget every 12 months. No one suggested that the budget should be balanced every month; so why choose 12 months, a figure of purely astronomical significance? Why not make it a period of economic activity, such as the business cycle, including a few good years and a few bad years, and undertake to balance the budget over that term of years? The surplus revenue from prosperity could be used to pay off the loans of depression.

At the bottom of the depression the Swedish Minister of Finance presented budgets that provided for 75% of current expenditures to be raised out of taxes and 25% to be borrowed.

Now that recovery has come to Sweden, the country has continued to levy the same taxes and has refrained from increasing its expenditures. As a matter of fact, it has reduced them and cut out public works entirely. In the current budget the surplus of income over expenditures amounts to 10% and all of this will go to pay off crisis loans. By the end of this budget year, all the loans made in the years of depression will have been repaid and the country will start to rebuild some of the reserves that were tapped to finance re-employment activities.

In Canada, the unbalanced budgets of our governments in the years of crisis were justified on the ground that public policy demands unbalanced budgets when there is unemployment, when there is need for reflation, when there is need for public works and unemployment relief payments. If this was true, then decidedly the first years of recovery call for large surpluses and a policy of loan repayment. Canada should approach the next period of depression with its public debts—Dominion, provincial and municipal — at a lower level than they were in 1929, when we entered the last period of depression

Is this likely to be the case? The answer is decidedly in the negative. The Dominion Government is still running an unbalanced budget and only a few of the provinces are showing debt repayment surpluses. The municipal situation remains very unhappy and is, as revealed in articles in the special government feature section in this issue, a billion dollar headache.

Those who look to Sweden for justification of unbalanced budgets might also point out that Sweden has not forgotten the corollary of such a policy and is today reducing its public debt out of the revenues of recovery.

Shareholders' Meetings

SPECIAL general meetings requisitioned for Union Gas Co. of Canada and for Gypsum, Lime & Alabastine, Canada, Ltd., call attention to the sections of the Dominion Companies Act under which such meetings may be demanded by minority of shareholders.

The 1934 revision of the Dominion Companies Act provides in section 98:

> 1. That directors of a company must call a special general meeting of shareholders upon requisition of such a meeting by holders of not less than one-tenth of the issued shares of any class of voting stock.
> 2. That if directors do not proceed to call the meeting within 21 days of deposit of the requisition at the company's head office, the requisitionists, or any of them representing more than half the voting rights of all the requisitionists, may call such a meeting.

There is no doubt of the value of section 98 of the act for the protection of minorities. And whatever the rights or wrongs in the Union Gas and Gypsum cases, the requisitioning of special meetings may be of some benefit to shareholders who wish to air the real or imaginary grievances.

On the other hand, it must be remembered that the Dominion Companies Act also provides for annual meetings at which shareholders are equally free to express themselves. In cases where shareholders have ignored the opportunity presented by annual meetings, and requisition special meetings for the purpose, it may be that the requisition is being used chiefly for nuisance purposes.

In any event, whether the meeting is the regular annual affair, or a special requisitioned meeting, it is to the advantage of the shareholders to attend and to vote in person whenever conditions make it feasible.

Street Cars Just Hold Their Own

ONE industry in Canada that is showing but very tiny gains in "sales," despite rising prosperity, is the street railway business.

The annual statistical book of the Canadian Transit Association shows a most modest improvement in passenger revenues in 1937 over the previous year. But a glance at its charts for the longer trend indicates that street railways in Canada are not carrying more passengers today than they carried in the last year before the war. In the meantime, registrations of private automobiles have advanced steeply. The street railways are just holding their own and, as the country's population grows, passenger automobiles are carrying more people through city streets. Increasing traffic congestion and greater parking difficulties have not yet diverted passengers back to the tramways.

The number of buses and special coaches operated by the electric railways of Canada has increased very slightly since 1929. The street car continues to be the principal means of public transportation in city passenger services.

Street railways, on the whole, are doing little better than to break even, which means that for every profitable line there must be a line somewhere else that is losing money. The relative tax burden has remained but little changed over a long term of years which is in contrast to the record of all other industries. But this is a fact that may easily mislead. Generally speaking, the privately-owned street railway systems are paying greatly increased taxes while many of the public ownership systems are relieved of ordinary taxes. However, nearly all systems, public or private, are being loaded with special taxes and assessments, snow removal, paving charges, etc., that restrict their opportunity to expand out of self-created capital.

George G. Gray, secretary of the Canadian Transit Association, expresses the opinion that the trend in passenger revenues, which is upward, if only slightly so, will continue.

Legal Rights of Strikers

THE furore raised in labor circles over the court rulings in Winnipeg against the Fur Workers Union, promises to convert into a "cause celebre" what appeared at the outset as a minor court squabble between striking workers and the owner of a smaller fur factory. If it also clarifies the minds of labor leaders and the public generally as to the legal rights of striking workers, some good will have been accomplished.

The ruling by Mr. Justice Adamson levied a fine of nearly $3,000 against the Fur Workers Union and gave an injunction restraining the strikers from picketing the affected fur factory. Preparations are now under way to appeal the decision, while laborites throughout Canada are denouncing it as a sinister blow at organized labor and a denial of the right to picket.

It is not quite so simple as that. The judge's ruling did not deny the right of workers to strike or picket, but did impose penalties for abuse of the picketing privilege. The evidence was deemed to show that non-striking workers had been improperly interfered with and an unlawful attempt made to prevent the employer's exercise of his right to continue operations as best he could.

Editorials in Brief

Statistics, remarked a Swedish professor in Montreal the other day, are like a lamp-post. They provide illumination but they are frequently used merely for support.

• • •

One of President Roosevelt's most striking phrases was, "The only thing we have to fear is fear itself."

It comes to mind as the president endeavors to "control the boom" by a policy of frightening business and markets whenever there are signs of returning confidence.

• • •

The Charlottetown Guardian discusses, with obvious approval, the proposal for the regrouping of western provinces on a B.C.-Yukon-Alberta and Manitoba-Saskatchewan basis, in the interests of lower government costs and greater solvency.

It would be interesting to know what the Guardian and other typical journalistic spokesmen of the Maritimes would think of a merger of the three Atlantic coast provinces to achieve the same ends.

• • •

The British Court of Appeal has ruled that a member of the Salvation Army is not a workman and cannot claim "wages" under any "contract." Members of the Army are paid only allowances for maintenance.

The legal case, involving the decision, provided an interesting opportunity for the public to appreciate the voluntary and self-sacrificing character of the work done by the Salvation Army and its personnel. Those who join the Army agree that they are not entitled to wages, that they have no contracts of service, and that they are voluntary co-operators "in the Army's work for God without claim to any other reward than the approval of God and the doing of the work itself brings to you."

• • •

> "At long last The Financial Post has discovered the United States has a foreign policy aimed at developing world trade as an alternative to war. It has been shouted from Washington house tops for two years and more, of course, but perhaps the sound of grinding axes in Toronto has drowned out the pleasanter noises from the American capital."

The Saskatoon Star-Phoenix, which published this jibe, has a short memory. When Hon. Cordell Hull, United States secretary of state, first took office, The Financial Post published his international economic programme. This was four years ago—not two years ago. The Post has also published many articles on the reciprocal trade policy of President Roosevelt. What the Saskatoon paper fails to discern is that up to now the American world trade policy has been talked about more than it has been acted upon. Only now is Mr. Hull getting the rest of the administration to pay much attention to him.

Sayings of the Week

"The voice of the steel industry does not reach to the Potomac."—*John H. Van Devanter.*

• • •

"In England people are tired of the problem of ownership. They want security."—*Hilaire Belloc.*

• • •

"War is a factor of progress. Nature keeps her human orchard healthy by pruning."—*Sir Arthur Keith.*

• • •

"The interest of every businessman is bound up with the interest of every wage earner."—*Franklin D. Roosevelt.*

• • •

"Unless the doctor of capitalism can fix its appendix of debt the next call will be for the undertaker."—*Roger Babson.*

• • •

"Dictatorships today have long passed the climax. People ruled by them are getting tired of false prophets."—*Thomas Mann.*

• • •

"We need to do away with ultra vires and intra vires decisions in regard to Dominion economic legislation."—*Stephen Leacock.*

• • •

"If we try to define the constitution too much we will split the Empire into fragments and it may never come back."—*Stanley Baldwin.*

• • •

"He who wishes to lead a movement must conduct a fight on two fronts—against those who lag behind and those who rush ahead."—*Josef Stalin.*

• • •

"Publicity is a great purifier because it sets in motion the forces of public opinion and public opinion controls the forces of nations."—*Charles E. Hughes.*

• • •

"I have compromised as far as possible for the safety of the movement. The only other way I could compromise would be to resign." — *Premier Aberhart.*

"Democracy is losing its grip. Old beliefs and standards are being discarded because they are too troublesome to live up to."—*Oliver Stanley, president of the British Board of Education.*

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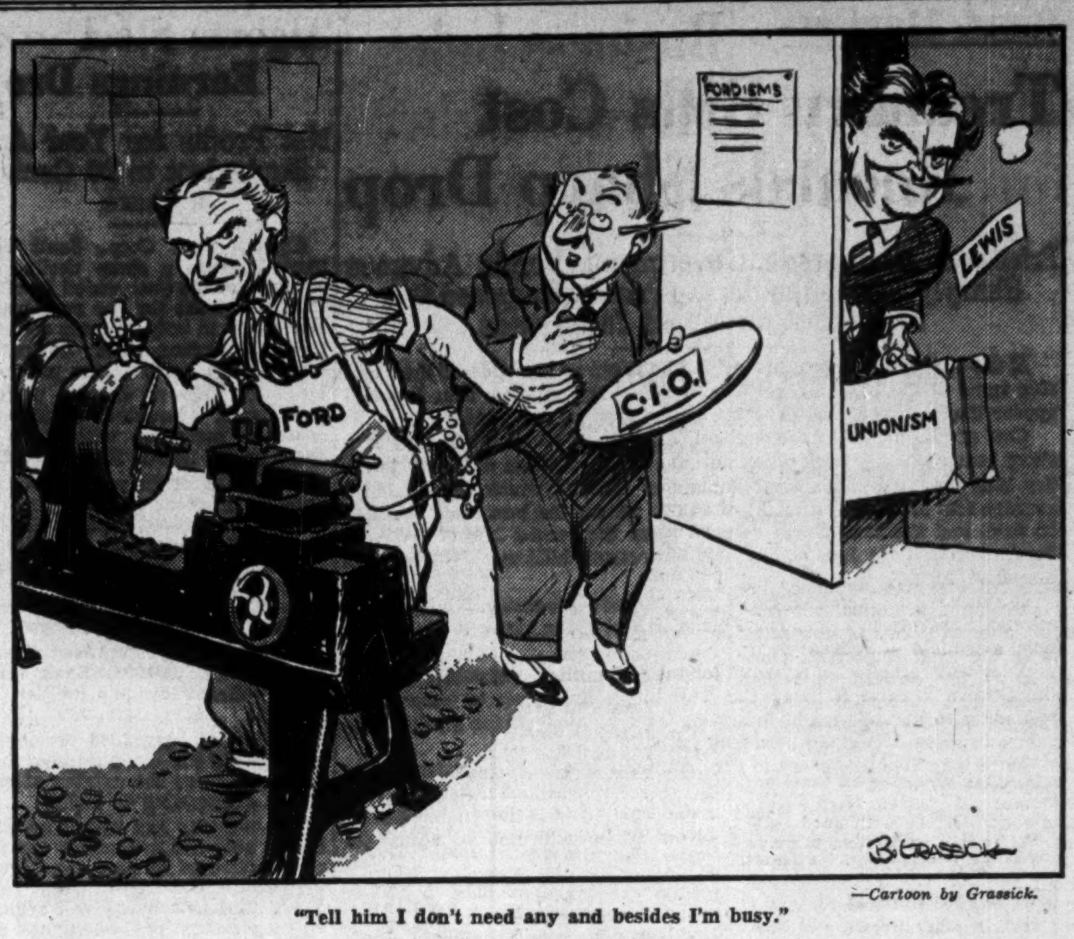


"Tell him I don't need any and besides I'm busy."

—Cartoon by Grassick.

A Would-be Dictator . . . .

The prospect that within three years the "balance of America's political power" may be controlled by John L. Lewis, through the Committee for Industrial Organization and its radical allies, is foreseen by Gordon Carroll in an article in The American Mercury.

The article sees Lewis's drive to mobilize mass production workers as motivated by "militant opportunism" and "vaulting ambition," precipitating a "crucial national issue" and threatening to affect the welfare of every wage earner in America. On an analysis of his record as a labor leader and his ruthless dictatorial methods is based the conclusion that "Lewis and his methods have come to stay in American politics."

Startling Rise

Extracts from the article follow:

"He (Lewis) has enacted in the field of industrial organization the same startling ascent to prominence that has marked the careers of Europe's three masters of power-politics—Messrs. Stalin, Hitler and Mussolini . . . In the background is the smiling profile of the Roosevelt administration.

"The most significant fact in Lewis' march to power is that his autocratic aides and proletarian organizers in the C.I.O. are almost all Communists or Left-wing Socialists. When Lewis, in 1935, made his irretrievable decision to break with William Green and the conservative American Federation of Labor, he at once turned for militant assistance to the Communists—the only mass-manipulating group in America that possessed the organization and technique for class warfare and social revolution.

"The Communist party offered Lewis a compact political organization, a staff of professional provocateurs, and an articulate army of class conscious followers.

Dictatorial "Democracy"

"The C.I.O., orates Lewis, offers a democratic haven to the American workers. But in his home lodge, the United Mine Workers of America, there are broken men who tell a tragic narrative of the dictatorial quality of John L.'s 'democracy.' When a convention of the U.M.W. assembles, he first appoints all the committees. The authoritarian shadow of Lewis pervades every corner of the convention hall. The rank and file, when not Lewis dupes, have found themselves gagged or bounced from the union.

"In the U.M.W., administrative power is diffused through 30 regional districts, each of which ostensibly elects its own officers and exercises autonomous authority. To suppress such autonomy. Lewis simply moves into a district which has chosen anti-administration officers and, under a pretext, restaffs it with provisional officers.

"In any survey of Lewis's national labor career, it is quite apparent that the flash point occurred when Franklin D. Roosevelt moved into the White House. From a peak membership of 500,000 in the early '20's, the U.M.W., dwindled under the depression to a shadow. Before the ink was dry on the N.R.A., organizers for the U.M.W. were storming through every coal camp, proclaiming that President Roosevelt wanted unionization of the coal industry.

Successful Coup

"The gamble worked. Before the Roosevelt administration was four months old, Lewis had run his lodge membership up to 500,000 (from 89,000). More important, he had captured the non-union districts of West Virginia and western Pennsylvania. This coup made Lewis the most important labor figure in the administration. Heady with victory, Lewis probably anticipated slight opposition from A. F. of L. leaders to his dream of dominating the Federation. But he miscalculated.

"As the issue upon which to ride to overlordship, Lewis selected the old cry of Industrial Unionism—for 40 years the slogan of the Socialists and Syndicalists. No issue could have been more unfortunate from the standpoint of mastering the A. F. of L. It struck directly at the most powerful union heads.

"He shoved himself into the centre of the Democratic picture by endorsing Dr. Roosevelt's re-election at the U.M.W. convention in Jan., 1936, and forcing through a resolution pledging mine union money to the President's campaign. Actually the U.M.W. contributed $342,000. Lewis set himself the delicate job of convincing the President that the C.I.O. was a first line of Labor defense.

Labor Politics

"Launching his big push after the election, Lewis found slight resistance among the once-arrogant open shops. Employers, palsied by the Roosevelt tidal wave, were afraid to utilize protective measures against a C.I.O. captained by a White House favorite. The partial surrender of United States Steel, General Electric, Chrysler Motors and others, disclosed that the Wall Street captains of finance had no particular desire to combat a Roosevelt-supported Lewis.

Alliance With Reds

"No political leader in America ever performed a more extraordinary about face than Lewis's alliance with the Communists. For years he had been the reigning devil in the demonology of Labor Radicals. In the grandiose United Front schemes of the Comrades, Lewis is obviously now cast in the rôle of the American Caballero.

"The extent to which Lewis has encouraged such carefree revolutionary hopes is a matter for debate. Two theories may be advanced to explain his sweeping change of heart. The first is that John L. has come to appreciate high cash value of Socialist and Communist fanaticism in organizational campaigns, and that he is happily exploiting the comrades to build his C.I.O. The other theory is that under the influence of persuasive cronies he has undergone an emotional change that has swung him far to the Left.

"The more likely explanation is that John L. has discovered that the comrades can be highly useful to him. He knows that a red hot Communist or Socialist is an extremely able operative to use against the bosses in the gouging tactics of the New Labor Warfare.

Stimulate Aims

"But having used the comrades almost to the point of exhaustion, it is doubtful if Lewis wants to carry them with him into his ultimate C.I.O. citadel. Obviously, he is building for an absolute dictatorship. The C.I.O. will be a monolithic structure with power pyramided at the top. There will be no place for the 'borings-from-within' of power hungry Marxians.

"All this is not to say that the ultimate C.I.O. may not prove to be the vestibule of the Socalist state in America. Communists for years have talked about the Class Struggle. Lewis, with the aid of the vacillating New Deal administration, has made it a reality in American life. The present state of class warfare in America, if sufficiently prolonged and aggravated, will constiitute the death of genuine Liberalism, the fulfilment of Communist prophecy, and an excuse for the accession of one type or another of Authoritarian State."

Fight Against Fascism . . . .

A Western View of the C. I. O.

Calgary Herald

A most insistent critic of Fascism is organized labor. This is because labor unions are not tolerated in fascist states, nor are they permitted in the one great world example of a communistic state, Russia. But the newest labor party in English-speaking North America, namely John L. Lewis's Committee for Industrial Organization, is following a course which, if persisted in, may bring about some form of fascism.

The desired end in progressive social movements should be the improvement of the lot of the mass of the people, and should be accomplished with a minimum of dislocation and irritation. The C. I. O., however, is following a most disruptive policy in belligerently seeking to obtain the highest wages and shortest working hours for its membership, mostly at the expense of unorganized labor and the farming population.

If this policy is pursued to the limit a balanced economy will be impossible, and the United States will be continually subjected to bitter and violent strikes and continued unrest. According to the present outlook across the border, it may not be long before a powerful demand develops that the federal administration take drastic steps against the cause of all the trouble.

Labor strikes are not permitted in Germany, Italy and Russia. The Government of each country arbitrarily lays down regulations covering working conditions and wages. No one in the democratic English-speaking nations desires to see labor unions thus regimented and restricted, but incitations to labor wars cannot go on indefinitely with the long-suffering general public bearing the brunt of the trouble and cost.

Premier Hepburn of Ontario declared during the Oshawa motor strike that the Lewis organization is not wanted in that province. In taking this stand, he has won general commendation and if, as is possible, he decides to make an election issue of foreign interference in Canadian industry his return to power for another term seems practically assured.

As Others See Us . . . . .

Protection Against Rackets

Barrie Examiner

Last week we commended the Better Business Bureau for the work it is doing to check racketeers and warn the public against fraudulent schemes. Excellent work in exposing rackets of various kinds is also being done by The Financial Post. The most recent fraud to receive its attention is the photograph and enlargement framing racket. Operations of this kind have been carried on from coast to coast and thousands of dollars have been taken from the pockets of the unwary who fell for the high pressure methods of these peripatetic racketeers. It was reported not long since that a number of Alliston people had been victimized by some travelling photographers.

When people are approached by any such racketeers as described by The Post, they can do the public a good turn by immediately advising the police. Co-operation of this kind would soon make a big reduction in the number of racketeers and swindlers operating throughout the country.

Western Merger Approved

Charlottetown Guardian

According to the Ottawa correspondent of The Financial Post, when the proposal for the annexation of the Yukon territories to the Province of British Columbia comes before the next session of the Federal Parliament, it is likely that one of the grounds upon which the Federal Government will defend it will be as a first step in the direction of a more logical regrouping of existing local governments west of the Great Lakes. The stand will be taken by the King Government that, geographically, the Yukon belongs naturally to British Columbia. And the suggestion will probably be made at the same time that, ultimately, Alberta should also merge with the Pacific coast province to form one integral economic unit devoted principally to mining, livestock, lumbering, and fruit growing.

Then, still applying the principle of geographic logic, the Ministry will likely propose that Manitoba and Saskatchewan, the two great prairie, wheat-growing provinces should concern a merger in the interests of reducing the governmental overhead which the people of the West have been finding so burdensome.

Such an ultimate regrouping of western local governments, with lower costs and greater solvency resulting, is the undoubted hope of those on Parliament Hill who for the past several years have been wrestling with the problem of western provincial solvency.

Other People's Views . . . .

Boom Ahead

By W. M. Kiplinger in Cosmopolitan

The boom has already started, but it will be more noticeable in 1938, 1939, and 1940. And there is probably inflation ahead—inflation of credit, easy money; it will encourage the boom. It means more business, more money circulating, more jobs, and higher pay. It's good news for the next few years, even if prices do rise.

America is now probably halfway from the low level of 1932-33 to the high level expected a few years hence. 1937 will be a moderate improvement over 1936. Some time in 1938 a period of rapidly rising prosperity probably will get under way. But there is another depression ahead, sometime in the early forties—it will grow out of the lovely boom.

Buy tangible, useful, needed things. Buy goods, for prices will rise. Even buy on the installment plan, perhaps, for your income will probably go up, your fortunes will improve. But be careful.

Borrow money if you need it and can use it wisely, but think of the recession of the early forties.

Lend as little money as you can, unless money-lending is your business.

Buy stocks—but even this general steer is dangerous unless you act with care.

Start new businesses and take some risks, but keep in mind the future forties.

Figure on stiffer business competition to get buyers' dollars. Advertise more, for your competitors will.

In the Mail : . . .

Rights of Investors

Editor, The Financial Post:

Canadian stockholders have about made up their minds that where large mergers have been formed, and the stock watered, and then these companies go short of dividends, both on bonds and preferred stock, trust deeds should be followed to the letter. Reorganizations on other bases have cost the stockholders of Canada too many millions. Bonds and preferred shares should stand for what they mean. At the present time, too, many preferred stocks and bonds are treated along with the common stock, mostly bonus stock held by the insiders, while the people who put up the real cash are deprived of their just rights, in order to keep common stocks good.

A. MACINTYRE BRUCE.
St. Thomas.

Long Range Weather Cycles

Editor, The Financial Post:

Having observed and recorded weather statistics in western Canada for over 50 years in an amateur way, I was much interested in the full page article on weather forecasting.

The weather played a very important part in our everyday life in the pioneer days of the West, much more so than the ordinary person realizes. For that reason I began in 1891 to make day by day notes of weather conditions and changes.

From observations of this nature over a long period of years I am now able to make fairly close forecasts of the weather to come for some time ahead and have become convinced that western Canada at any rate has been subject to cycles of weather which are included in a grand cycle of 40 to 55 years.

In the '70's and early '80's there was a lot of moisture in western Canada. Then about 1888 it began to get dry again. In 1893, 1894, 1895 and 1896 the drought became really serious, similar to what we have undergone during the past four or five years. Conditions in southern Alberta in the spring of 1897 were almost identical with what they are now. There was no sub-moisture in the soil and grass was thin and scarce.

In June, 1897, it started to rain and continued wet nearly all that month. Floods occurred and the country was transformed from a near desert into a rich pasture land. From then until 1903 the precipitation increased year by year. The peak was reached in 1902 and by that time some districts had more sloughs and lakes than dry land.

From 1904 on, the country gradually got drier again, and, although some wet years like 1915 and 1916 intervened, the soil gradually lost its sub-moisture until the peak of the drought was reached in 1935-1936.

From my observations, as set forth in the foregoing summary, I am led to believe that the present year, 1937, will see the end of the drought in western Canada, and that, starting with this year, the precipitation will gradually increase during the next 10 years or so. The sloughs and lakes should fill up again and the soil regain its maximum supply of sub-moisture. Agricultural industries will become more stable again and business generally all over Canada will derive great benefit therefrom. . . .

Like W. R. Drynan, I know from personal observations that weather cycle predictions are more dependable than is generally acknowledged, and I am glad to learn that prominent scientists like Dr. Abbott and Dr. Clayton are giving it serious attention.

K. D. JOHNSON.
Lethbridge.

New Books . . .

Maritime Streams

WATER RESOURCES PAPER. Volume 77, covering the Maritime Provinces. Issued by Dominion Water and Power Bureau of the Department of Mines and Resources, Ottawa. Free.

This volume contains the results of investigations by the Dominion Hydrometric Survey during the climatic years Oct. 1, 1932 to Sept. 30, 1934, in the three Maritime Provinces. The report contains 62 pages of stream flow data covering the principal rivers and streams in the three provinces, with precipitation records for a number of stations during the same period.

Argument Against Tariffs

THE PREVENTION OF FUTURE CRISES IN THE WORLD ECONOMIC SYSTEM. By Robert Bosch. Published by Macmillan Company of Canada, Toronto. Price, 50 cents.

Dr. Bosch is a leading German industrialist with an international fame as a model employer. In 1906 he was the first employer in Germany to introduce the eight-hour day into all his workshops and factories.

This little pamphlet reproduces in English an article that he wrote three years ago. He defends technological progress from the charge that it creates unemployment. He deplores social conflict and class warfare as futile and as antagonistic to the interests of mankind. In the main, though, the volume is an argument for free trade and an attempt to demonstrate that protectionism endangers the world's standard of living. There is a brief foreword by Lord Davies.

The Ghost Walks

New York Times

British M.P.'s have received a 50% rise in pay, which up to yesterday was £400, or $2,000. They also get free rides on the railways. Our own M.C.'s get $10,000 a year and 20 cents a mile. It doesn't cost 20 cents a mile to ride on the cars over here and this big country has many more miles than a tight little island like Britain. So it will be seen how much better off is an American lawmaker. On the other hand, British M.P.'s don't have to work so hard pretending they are doing anything.

Payment of members of Parliament is only 25 years old in Great Britain. It began with the emergence of a separate Labor party whose members were not always the happy possessors of a private income. By now there are a good many M.P.'s from the middle and upper classes who need the money.

Stop Me If You've Heard This One . .

Haughty Woman: "Did any of your ancestors do things to cause posterity to remember them?"

Farmer: "I reckon they did. My grandfather put mortgages on this place that aren't paid off yet!"

Week in Business

Labor Trouble Haunts Industrial Communities

C.M.A. President Appeals for Co-operative Spirit — Points to Controlling Power of Consumer Over Industries

Walk into almost any urban community in Canada these days and leading citizens will tell you things are going well—but. The "but" is always the same—it is the haunting spectre of labor troubles.

"We've got our fingers crossed," says one.

"We are thinking of putting on a night shift for the first time in ten years—it would double our capacity, give employment to 600 more men," says another, "BUT, we're afraid of labor troubles. We must move very slowly."

• • • •

This week at Toronto, leading industrialists are meeting under the auspices of the Canadian Manufacturers' Association in annual conclave. Whether they like it or not, discussion of labor problems is uppermost in the minds of those in attendance. It is the most important single factor in the Canadian industrial picture as we turn toward the second half of 1937. Officially, the C.M.A. indicated their viewpoint on labor relations in the annual review of B. W. Coghlin, retiring president of the association. In brief he said:

> "Among industrial nations, Canada, in the past, possessed an excellent reputation for her comparatively large measure of freedom from strikes and lockouts, which interrupt production and interfere with good relations between employers and employees. While it is impossible to make definite statements about the future, it is at least reasonable to ask if some new plan of dealing with relations between the various groups engaged in industry will produce the good results obtained for many years by established and well-tried methods? In other words, will class warfare, promoted and sustained by interested parties, do as much for industrial wage earners in the future as the friendly co-operation of all those engaged in industry has accomplished in the past?"

• • • •

Mr. Coghlin pointed also to an oft-forgotten fact, namely, "that in any system of dealing with industrial relations or of conducting industrial operations, consumers, in the end have a large measure of control and do not hesitate to exercise it."

In Canada this is especially true since half our population are engaged in agriculture and therefore limited in purchasing power to what they are able to earn on their farms. Furthermore, there is over a billion dollars worth of export business to be considered.

• • • •

There is lots of work to be done in Canada—and lots of work is being done as evidenced by the new high mark registered last week by The Financial Post business index. But lawlessness or ill-advised agitation on the part of employees can upset this opportunity for advance just as a short-sighted stubborn attitude on the part of employers can interrupt production and interfere with proper industrial relationships.

Business Indicators

Dollar business volume, as indicated by Canadian bank debits, reflect seasonal business expansion. There was a gain of 22% in April over the corresponding month of 1936, but a relatively insignificant increase of only 3% over March of this year. April debits of $3,376 millions compared with $2,773 millions in April, 1936, and $3,189 millions in March, 1937. Acceleration in the turnover of April debits was pronounced, however, the percentage ratio of debits to deposits being 142.5.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked▲.

	WEEKLY DATA		—Cumulative Total—	
	——Latest——		Jan. 1 to date	
	1937	1936	1937	1936
Transportation—				
Car loadings (May 22)	▲50,219	44,928	949,742	857,930
C.N.R. gross earn. (May 21)	$ ▲3,862,173	$ 3,423,633	$ 73,915,879	$ 66,714,806
C.P.R. gross earn. (May 21)	$ ▲2,627,000	$ 2,592,000	$ 51,785,000	$ 47,704,000
Business Conditions—				
Weekly index D.B.S. (May 22)	▲111.1	105.5	......	......
	MONTHLY DATA			
Business Conditions—				
Financial Post index (Apr.)	119.7	107.7	......	......
Transportation—				
C.P.R. net revenue (Apr.)	$ ▲1,848,410	$ 1,337,457	$ 5,490,823	$ 4,165,161
C.N.R. net revenue (Apr.)	$ ▲2,249,015	$ 1,455,306	$ 4,566,511	$ 1,532,047
Iron and Steel (April)—				
Pig iron production (tons)	▲68,[illegible]38	54,045	267,519	226,141
Steel ingots and castings prod. (tons)	121,426	107,220	473,590	401,902
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Mar.)	13,378	9,490	30,701	18,548
Factory output (Apr.)	▲12,927	20,247	61,664	56,849
Trucks and Buses:				
Domestic sales*	2,924	2,206	6,566	4,237
Factory output (Apr.)	▲4,154	4,704	19,608	12,693
Exports (Apr.)	▲5,753	3,740	22,603	22,558
Construction—				
Building permits (Apr.)	$ 6,098,036	$ 3,237,386	$ 16,568,165	$ 8,829,837
Contracts awraded (May)	$ ▲24,170,500	$ 14,962,800	$ 80,066,200	$ 56,905,100
Newsprint (tons)—				
Production (Apr.)	298,347	258,721	1,162,680	952,145
Exports, tons (Apr.)	▲252,790	192,893	1,030,212	818,418
Sugar (lb.)—				
Melting & sales§ (raw)	50,257,619	50,095,059	127,777,586	114,520,555
Manufactured§	49,055,445	46,454,928	122,175,841	113,600,438
Flour (bbls.)—				
Production (Mar.)	1,098,544	1,171,741	3,106,868	3,172,746
Wheat flour exports (Apr.)	285,724	281,162	1,337,846	1,412,348
Trade—				
Retail trade (index no. of sales) (March)	75.9	71.8	......	......
Imports (April)	$ 58,000,000	$ 42,320,032	$ 229,537,118	$ 177,272,737
Exports (April)	$ 66,907,258	$ 57,964,176	$ 315,373,497	$ 260,088,149
Wheat exports (bus.) (Apr.)	3,617,803	6,572,364	23,517,460	41,517,038
Employment D.B.S. Index (May 1)—				
All industries	▲106.3	99.5	......	......
Manufacturing	▲113.8	102.7	......	......
Electric Power Output (Apr.)—				
Total monthly m.k.h.†	▲2,322,884	2,164,628	9,199,627	8,329,743
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	101,079	107,949	327,685	417,604
Boot & shoe prod., pr. (Mar.)	2,387,124	2,110,598	5,798,641	5,459,797
Crude petrol., imp. gal. (Mar.)	50,483,343	65,383,199	157,542,315	166,169,464
Cotton imports. lb (Mar.)	15,462,512	13,558,113	42,770,417	45,221,720
Raw rubber imp., lb. (Mar.)	5,851,745	4,052,065	12,354,403	12,246,613
Coal imports, tons (Mar.)	623,071	506,260	1,684,476	1,489,780
Cigarette cons. (Apr.) No.†	▲550,549	420,753	1,851,597	1,466,318
Finance—				
Bank debits (Apr.)†	$ 3,376,201	$ 2,773,756	$ 12,525,327	$ 11,132,084
Bond sales (April)	$ 46,331,500	$ 104,669,391	$ 435,482,731	$ 515,960,505
Life insurance (Apr.)	$ 32,919,000	$ 28,876,000	$ 123,220,000	$ 121,609,000
Automobile Financing (Apr.)—				
Used cars	$ ▲4,035,932	$ 2,897,812	$ 9,724,776	$ 6,644,988
New cars	$ ▲5,008,159	$ 4,267,363	$ 12,099,391	$ 8,615,890

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Mar. 27.

Business Index Moves Higher In Past Month

Production Shows Increase Reaching New High Level

INDEX NEARS 120

The Financial Post index of business operations moved up, in April, to a new high point since 1929. The standing was 119.7 against 117.9 in the preceding month.

While the April gain was relatively moderate as expressed in the index number, many brilliant increases were shown throughout the list of components. It is the first forward movement since the period of consolidation of recent months, which followed the sharp upturn of 1936.

Financial Background

The financial background has recently weakened, a marked setback having been shown in common stocks and speculative commodities. Highgrade bonds had declined sharply during the first quarter but have recently shown a steady trend. The liquidation on the stock and commodity exchanges was due in part to political developments in other countries and it is yet unknown as to whether productive operations will be adversely affected.

The banking position remains particularly strong, according to the latest information applying to the first of April. The new high points reached in readily available assets and security holdings demonstrate the strong liquid position of the banks.

Manufacturing Recovers

Manufacturing operations, which have shown some decline since September of last year, recorded a considerable gain in April. The index of the manufacture of foodstuffs moved up about 10%. Among the significant factors raising the index, were the sharp gain in the manufacture of sugar and the revival of activity in the meat-packing industry.

The manufacture of sugar was more than 49 million pounds against 30 millions in the preceding period. The cattle and hog slaughterings were greater than in any other April in the post-war period. Dairy products were produced in greater volume, marked gains being shown in factory cheese and creamery butter. The export of canned salmon showed a seasonally adjusted gain, reflecting the heavy catch of last season.

Tobacco and Shoes

The release of cigarettes for consumption was an outstanding factor in April. The total was 550½ millions against 435½ millions in March. While the release of cigars was at a lower level after seasonal adjustment, the general index for the release of tobacco showed a marked gain. The manufacture of tires was slightly greater than in the last month for which statistics are available. Production of boots and shoes created a new record in March when the output exceeded 2 million pairs for the first time in history.

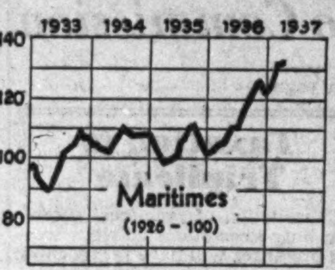
Forestry and Steel

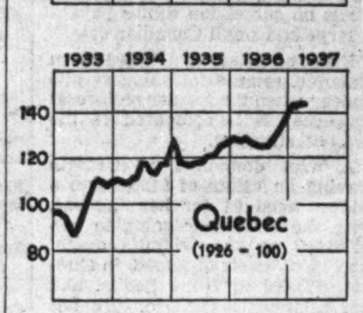
Operations in the forestry group were maintained, the index remaining at 138. A contra-seasonal recession was shown in the production of newsprint, but the output was greater than in any other April. An adjusted gain of nearly 25% was shown in woodpulp exports. The exports of planks and boards reflecting activity in the saw-milling industry showed a gain over the levels of the two preceding months. The exports of shingles, on the other hand, showed a decline.

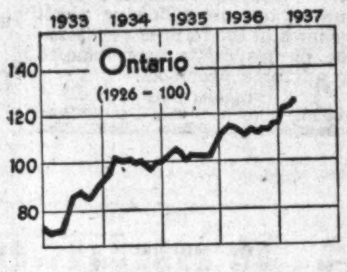
The operations of the primary iron and steel industry were practically maintained in April, a slight recession being shown in the output of steel ingots, and a moderate gain in pig iron production. The decline in the output of motor cars was according to expectations in view of the interruption of operations by strikes.

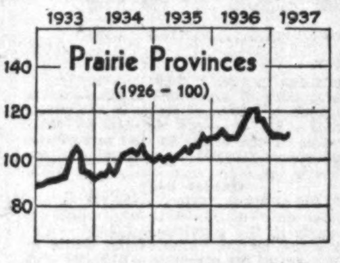
The railway freight movement continued heavy, showing an excellent lead over the levels of 1936. The index in April was 80.2 against 80.6. After seasonal adjustment, an acceleration was shown in the Dominion's external trade during April. The index of exports, after adjustment for seasonal tendencies and price changes was 107 against 89 in March. The total was greater than in any April since 1929. An adjusted gain of considerable proportions was also shown in imports.

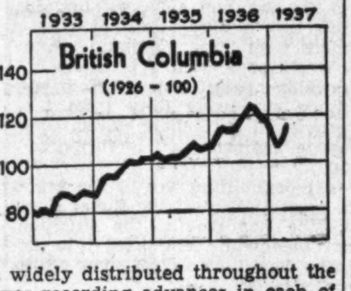
Business Expansion Shown In Most Canadian Areas











TREND OF BUSINESS

	Apr., 1937	Change from 1936
Maritimes—		
Construction contracts $	5,088,000	+1188.1
Bldg. permits $	232,000	+ 27.5
Life insce. sales ... $000	2,129	+ 18.9
Bank debits ... $000,000	64.5	+ 34.9
Electric pwr. . kw.h. 000	1,939	— 1.9
Employment . 1926=100	110.7	+ 7.1
Tonnage of vessels cleared .... tons	589,868	+ 11.9
Index	134.3	+ 23.2
Quebec—		
Construction contracts $	4,545,000	+ 32.1
Bldg. permits $	1,414,000	+ 218.5
Life insce. sales ... $000	9,137	+ 11.9
Bank debits ... $000,000	1,099	+ 18.6
Electric pwr. . kw.h. 000	39,353	+ 3.6
Employment . 1926=100	105.2	+ 9.1
Newsprint prod. .. tons	298,347	+ 15.3
Index	146.3	+ 13.2
Ontario—		
Construction contracts $	11,386,000	+ 153.5
Bldg. permits $	2,717,000	+ 104.3
Life insce. sales ... $000	14,859	+ 15.3
Bank debits ... $000,000	1,567	+ 38.2
Electric pwr. . kw.h. 000	24,939	+ 12.6
Employment . 1926=100	111.2	+ 7.5
Livestock slaughterings 1926=100	157.4	+ 23.4
Steel prod. .... tons	121,426	+ 13.2
Automobile prod. .. No.	17,081	— 31.5
Index	126.1	+ 11.8
Prairie Provinces—		
Construction contracts $	2,529,000	+ 222.2
Bldg. permits $	694,000	— 10.6
Life insce. sales ... $000	3,802	+ 5.3
Bank debits ... $000,000	464	— 6.6
Electric pwr. . kw.h. 000	5,000	+ 9.8
Employment . 1926=100	93.2	+ 0.5
Wheat receipts .. bush.	4,212,000	— 8.8
Wheat prices—Cents and eighths of a cent per bushel	138/7	+ 72.5
Index	113.2	+ 1.8
British Columbia		
Construction contracts $	878,000	+ 24.9
Bldg. permits $	1,042,000	+ 106.3
Life insce. sales .. $000	2,650	+ 23.5
Bank debits ... $000,000	103.4	+ 4.4
Electric pwr. . kw.h. 000	4,963	+ 13.0
Employment . 1926=100	103.4	+ 4.4
Index	116.1	+ 2.0

Expansion in business activity was widely distributed throughout the Dominion during April, regional indexes recording advances in each of the economic areas except Quebec, where a slight recession occurred.

New high points on the recovery were shown in the Maritimes and Ontario and in these areas the present position is higher than at any time since 1929. While the index of the Prairie Provinces was lower than during a considerable portion of 1936, some improvement was shown over the preceding month.

More advances over March were shown in the Prairie Provinces than in any other of the economic areas, and it is seldom that such a general picture of improvement is shown for any particular month.

Background of Business

New Potato Market?

A possible new market for Canadian seed potatoes in Argentina is being surveyed by H. S. Arkell, special officer of the department of agriculture, who is now en route to South America.

Exports of about 80,000 barrels of Canadian seed potatoes shipped from the Maritimes to Argentina last year opened the possibilities of a large volume of business in that commodity. Exports in previous years to Argentina were neglible and Mr. Arkell will survey the situation at first hand to determine whether the sudden expansion in seed potato exports can be still further extended.

One theory is that potatoes do not propagate well in the Argentine and that it may be necessary for farmers there to import new stock periodically.

Examination of agricultural methods used in South America for production of wheat and livestock products will also be a main purpose of the visit. Argentina competes with Canada in world markets for these commodities.

• • •

Beaver Trade

Long publicized legends die hard and the Hudson's Bay Co. admits very little hope of killing a notorious one associated with its early activities. Says the current issue of The Beaver, a quarterly magazine published by H. B. C.:

"It is probably too late now ever to overtake the legend that the Hudson's Bay Co. used to trade long barrelled muskets for beaver skins piled to the top of the gun. It is one of those fantastic tales repeated with knowing winks by ignorant persons —the sort to whom no public character can be virtuous and no corporation honest. Every few years a few sentences about this alleged basis of trade get into circulation in United States. Weary editors drop them into the bottoms of an unfilled column of type and go home for dinner. So the legend marches on. The truth is something quite different."

Coffee Versus Tea

Canada is now importing more coffee than tea but not, as was reported in this column recently, drinking more coffee than tea. Canadian Grocer points out that because a pound of tea produces more than 200 cups of refreshing beverage compared with 40 or 50 cups from a pound of coffee, it would take a very much larger poundage of coffee than is at present imported to make coffee the national beverage of Canada. In addition to more cups of beverage per pound, points out Canadian Grocer, there is no shrinkage in preparing tea for sale after it arrives in Canada whereas coffee must be ground and roasted and in the process there is a weight loss of about 16%. It is, therefore, correct to say that total imports of coffee exceeded tea last year but it is not correct to say that the fluid consumption of the former is ahead of tea.

• • •

No Standardized Homes

Distaste for standardized dwellings and the inability of manufacturers to market a product at a sufficiently low cost appeal are the reasons business observers assign for the slump in sales of portable or pre-fabricated homes. A few months ago this type of dwelling was widely publicized in the United States as the newest trend in low-cost housing but significance is attached to the fact that not a single pre-fabricated home appeared at the recent Small Homes Exhibit in New York.

Models formerly displayed were of a none too pleasing rectangular style which aggravated rather than decreased public apathy toward "ready-made homes" of a type that failed to compete in price with those available through conventional means. Sales of portable summer cottages, on the other hand, are reported at a satisfactory level in Canada, where summer vacationists have a wide range of choice in designs, materials and price ranges.

New Car Sales Down Slightly

Total for First Four Months Ahead of 1936

Reduction in the volume of new motor vehicle sales in April compared with the same month of 1936 was the first to be reported in an April comparison since Canadian sales statistics were first compiled in 1932.

As reported by the Dominion Bureau of Statistics, sales totalled $19.9 millions involving 19,909 vehicles, compared with 16,302 vehicles at $16.4 millions in March. April, 1936, figures were 20,845 cars at $21.1 millions.

New passenger car registrations in eastern Canada, compiled by Canadian Automotive Trade, reflect the decline in sales with lower figures for both Ford and Chevrolet. Ford units totalled 2,880 against 2,995 in April, 1936, with Chevrolet in second place with 2,791 registrations against 3,422 in the previous year.

Cumulative figures for the year to date present a more cheerful picture. For the first four months, sales of 57,276 new vehicles at $57.7 millions compare with 43,630 vehicles at $44.7 millions in the corresponding period of 1936.

Financing Higher

Financing volume of motor car business was sharply above 1936 figures with 21,178 vehicles involved in financing of $9 millions. Only 13,963 vehicles were financed for $5.9 millions in April, 1936, an indication that deferred payment purchasing in this field of business is far in advance of the relative gains in new vehicle sales.

Comparative figures of new car registrations in eastern Canada, compiled by Canadian Automotive Trade, are as follows:

New Passenger Car Registrations
(†In Eastern Canada)

	April 1937	April 1936	Yr. to date 1937	Yr. to date 1936
Ford	2,880	2,995	7,364	5,759
Chevrolet	2,791	3,422	6,669	6,519
Dodge	1,805	1,476	5,077	2,925
Plymouth	1,516	1,460	4,242	2,731
Pontiac	881	435	2,120	878
Oldsmobile	808	839	1,960	1,671
McL. Buick	545	571	1,334	1,161
Chrysler	370	382	1,237	776
Lafayette	329	69	693	118
Packard	312	165	757	408

†P.E.I. not reported.

Loan Companies Licensed

Three small loan companies have been licensed recently by the Saskatchewan department of insurance. They are: Monarch Finance and Investments, Ltd., of Winnipeg; Royal Canadian Securities Co., Winnipeg; and Sterling Securities Corp., of Regina.

Brown Company

The first mortgage 5½% bonds of this Company have interesting possibilities. We maintain an active market. Complete analysis covering this situation will be forwarded upon request.

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Mr. D. Stewart Patterson
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SIX MEN'S SAVINGS
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ONE MORTGAGE LOAN

SUPPOSING that six of your neighbors pooled their savings to provide you with a mortgage loan of $3,000 on your home . . .

Then you would have a clear picture of how an average mortgage loan is made possible through Life Insurance savings.

To provide funds for a mortgage of $3,000 on your home, a Life Insurance company requires the accumulated savings of six policyholders.

Today, the savings of policyholders have made possible an investment of $382,000,000 in first mortgages on city, town and farm properties in Canada.

Policyholders whose funds are invested in such mortgage loans are not by any means all wealthy men. On the contrary, they are average thrifty individuals who are safeguarding their future by entrusting their savings to Life Insurance.

L-673

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DUNLOP CITADEL
FORT "90"
DUNLOP FORT "90"
Fit DUNLOP
"THE WORLD'S FINEST"

Why take needless risks with the lives and safety of those dear to you? Give them the extra protection of DUNLOP Tires, so they may ride in confidence, always within the Circle of Security. Equip your car today with DUNLOP Cable Cord Tires—"the world's finest."

15

Construction

Water to Cover Roof Of New Office Building

Royal Trust Structure in Toronto Will Have Miniature Lake on Roof — Air-conditioning, Glass Brick Are Features

During the sweltering days of summer, workers in Toronto's newest office structure—the Royal Trust Building—will literally be working under water.

A constantly flowing stream of cold water will cover the roof of the structure to a depth of several inches and insulate the ultra modern building from the heat of summer sun.

Rising 10 stories above King Street, in the heart of Toronto's business section, the building is one of the few to be erected for trust company and general business occupancy during the last five years. It is typical of the striking advances made in development of new materials.

Steel and Concrete

Construction is steel and concrete, with an exterior of stone and black granite trimming up to the third floor windows. The front elevation on King Street uses bronze trimming with the new type of glass insulating brick on the ground or first floor and these bricks are of large size to avoid the close checker board effect of small glass bricks.

Into the glass bricked front are set small observation windows, unnecessary for lighting purposes. A diffused light through the glass brick provides ample natural illumination to the interior.

The Royal Trust Co. will occupy the first three floors and basement. Above the third floor the exterior finish of the building is in a special type of glazed brick, impervious to moisture and easily cleaned by washing. Stone trimming and sliding metal window sashes are used in the upper stories which, above the third story, take the form of a tower on which windows open on four sides. In the upper stories, space is being rented to business and professional firms.

Air-Conditioning

Completely co-ordinated and built as integral parts of the office building, are the air-conditioning units, lighting, telephone and telegraph installations. Air-conditioning, unlike that installed in buildings erected previously, is a compact system of three main units serving the entire building. One unit serves the upper four stories, a second is used for the fourth, fifth and sixth floors, and a third unit serves the basement and the first three floors. Air-conditioning is automatically controlled to regulate temperature and humidity and rarely will there be need for opening or closing windows throughout the structure. Interior atmospheric conditions may indeed be rendered less comfortable by admitting outside air via the windows, for the interior is cooled, dehumidified and purified in summer to a far greater degree of comfort and sanitation than is possible from admittance of smoke-laden hot city air from the outside.

Operating in connection with the air-conditioning system, water is drawn from city water mains at a low temperature and passes over the roof to a depth of four inches or more. The effect is complete insulation from heat rays in the hottest weather. It is believed to be the only system of its kind to be installed in a Canadian office structure.

For winter conditions, a new system of heat and temperature control will be used. This is a steam heating service, controlled thermostatically but with new features involving control by any fluctuations in temperatures outside the building. Maintenance staffs can, of course, control the amount of heat by mechanical means, but the slightest change in outside temperature will also operate to immediately adjust interior conditions to the comfort of occupants as a result of the new device.

Two Steam Pressures

In addition, two separate steam pressures, from a central heating plant, are incorporated in the structure. One operates the air-conditioning system and heats the lobbies, vaults and other areas in the basement, first floor and where large office staffs and public areas are located. The second steam pressure will be available to the usual office spaces occupied by tenants, with the result that economies are possible in heat costs without sacrifice of comfort. It will not be necessary, for example, to maintain a heavy pressure of steam in all parts of the building in cold weather. Instead, heavy pressure may be maintained in heating lobbies and public areas while ample heat is supplied to upper stories and private offices from an entirely different steam source of considerably lower pressure.

Entrance hall decoration is a striking example of the trend toward simplicity, and the avoidance of massive, over-decorated woodwork and sombre colors. The vestibule entrance and elevator lobby have walls of light, buff colored marble, with a contrasting green marble trim. Floors are travertine and mosaic.

Steel work is completed and more than half the concrete floors have been poured. The architects, Allward and Gouinlock, report that the original building schedule has been more than maintained in preparation for occupancy of the building around Nov. 1. At that time, it is expected, the Royal Trust Co. will move into the first three stories on a long-term lease, and floors above the third, containing 2,010 square feet on each floor, will be occupied by other business and professional interests.

Financing of the building was arranged by Bacque, Hay and Co., which is also acting as manager of the structure.

Bridges, Roads Boost Contracts

Bridge and road construction were the largest individual construction contract awards during May, it is revealed by MacLean Building Reports Ltd.

As forecast by The Financial Post, bridge construction is assuming more important aspects in Canadian construction totals, and during May these included the award of $3 millions by the Ontario Government for roads and bridges, a $2.4 millions award by Nova Scotia for the same purposes, and award of a $1.2 million contract for construction of a railway bridge at Fredericton, N.B.

Including a number of other bridge awards, total contracts in Canada during May reached $24 millions against $14.9 millions in May, 1936, an increase of 61.5%. Buildings and engineering projects are rapidly increasing in volume and accounted for over $16 millions of the May total.

Contract awards in the first five months of 1937 stand at $80 millions against $56 millions in the same period of 1936, a gain of 40.5%.

Rated by provinces, Ontario's May contract total of $9.9 millions was largest, with Quebec at $6 millions and Nova Scotia with $2.8 millions in second and third places.

In The Construction World

Casa Loma Reopens

Toronto's Casa Loma, castle-like former home of Sir Henry Pellatt, but long a "white elephant" and the object of innumerable schemes for its exploitation opened this week as a tourist attraction and show place after remaining for years in an unoccupied condition.

Members of the Kiwanis Club of West Toronto have had workmen in the building repairing electric wiring and plumbing and rehabilitating the castle preparatory to its new rôle. The Kiwanis Club will raise money from the building to be spent on the boys' and girls' work of the club.

* * *

New Bridge Awards

Award of two large sub-contracts in connection with the $6 millions First Narrows bridge at Vancouver marks a new stage in the building of the largest bridge now under construction in Canada.

Dominion Bridge Co. is awarded the contract to build the structural steel portion of the caisson for the south main pier. The caisson will be built in sections and assembled on the site. With concrete and timber work added, it will be floated into position. Contract for the steel cutting edge for the north and main pier caisson has been awarded to Ross and Howard Iron Works Co., Vancouver.

New Ford Plant Subway Costs Around $125,000

Construction of a concrete lined subway, tunnel and pit at the new $3.3 millions body plant of the Ford Motor Co. of Canada at Windsor, will follow award of a contract amounting to about $125,000.

Provinces' Succession Tax Tangle May be Submitted to Commission

(Continued from page 1)

pay succession duty to every province in which estate assets are located.

"New Deal" Is Possibility

Out of the scramble for provincial death duty taxes and the new elements of confusion injected into the situation by reciprocity cancellation may, however, come a complete "new deal" in Canadian succession duties. Observers believe that the whole field will be carefully studied by the forthcoming Royal Commission on government and provincial finances.

Four major possibilities of the Royal Commission's survey, as affecting succession duties are seen.

(1) Elimination of onerous duplicate succession duties affecting large and small estates with assets in two or more provinces.

(2) Clarification of existing confusion and litigation arising from cancellation of reciprocal succession duty exemptions formerly in effect among Alberta, Ontario and other provinces, with consequent uniformity in succession duty legislation and its enforcement.

(3) A possible arrangement between the provinces adopting uniform tax laws, and the Federal Government, by which the latter would collect succession duties on behalf of all provinces.

(4) Transfer of succession duty to the status of a federal tax. In this case a bitter fight by provinces with large populations and concentrated wealth is likely to develop against any effort to remove succession duty from the provincial tax sphere unless adequate compensation is forthcoming.

All possibilities are in the realm of conjecture until the Royal Commission has studied the situation, but meanwhile enquiries into existing conditions reveal some astonishing facts.

Ontario's "Clean Sheet"

Officially, Ontario cancelled its reciprocal succession duty exemptions with British Columbia, Alberta and Nova Scotia on June 1 and later with New Brunswick and Prince Edward Island because the Government felt that reciprocity worked to the disadvantage of the province, a centre of Canadian wealth and population, although it still retains certain agreements with other jurisdictions.

Unofficially, comment in Government circles indicates that Ontario wants a "clean sheet" in the matter of succession duties, without extra-provincial entanglements, before the survey of the Royal Commission on government finance is undertaken.

Officially it is held that Ontario's action in cancelling succession duty reciprocity has nothing to do with similar action by Premier Aberhart of Alberta only a few days earlier. The tendency, however, appears common to all provinces—to be rid of certain types of reciprocal obligations.

Reciprocity of exemptions for succession duty claims has never been general among the provinces. It has never existed, for example, between Ontario and the province of Quebec, Saskatchewan and Manitoba and Quebec particularly has taken advantage of every opportunity to levy succession duties against the estates of Ontario residents with assets in Quebec.

Ontario first arranged succession duty reciprocity in 1906 with Great Britain and since that time similar arrangements have been made with other British areas and provinces. The Ontario Succession Duty Act of 1934 shows reciprocal arrangements with British Columbia dating from 1908, with Nova Scotia from 1907 and with Alberta since 1928. Northern Ireland, Trinidad and Tobago are still included in the reciprocity arrangement under which succession duty collected on assets of Ontario residents, located in these areas is deductible from the Ontario tax and a similar deduction is allowed residents of these areas on their assets held in Ontario. The provincial reciprocity is now cancelled, but that with Great Britain, Northern Ireland, Tobago and Trinidad remains. Until 1933 Ontario had reciprocity with 28 states of the U.S.A. but cancelled it in 1934.

Under another section of the Ontario act, no tax was collected on assets held in Ontario by residents of Prince Edward Island and New Brunswick and in turn these provinces formerly collected no tax from Ontario residents' estates on property held in the two provinecs.

P. E. I. and N. B. Unaffected

Apparently no move is being made to cancel the existing reciprocity between Ontario and Great Britain, Northern Ireland, Tobago and Trinidad and thus two succession duty collection systems are in force in Canada — that in which no reciprocity exists or has ever existed and exemption by deduction of taxes paid in other areas.

Fair or Unfair?

The existence of different systems is a serious obstacle in achieving succession duty uniformity without dumping the whole problem in the lap of the Federal Government. One widely held view is that Ontario's action in cancelling reciprocity with Alberta, Nova Scotia, British Columbia, P.E.I. and New Brunswick is unfair; that it creates duplicate taxation in these provinces and in Ontario. Another view is that cancellation places all provinces on an equal footing.

The truth is, of course, that it merely extends the scope of duplicate taxation on estates with assets in both Ontario and one of the other provinces concerned.

Premier Hepburn of Ontario intimated last week that cancellation of reciprocity with British Columbia, Alberta and Nova Scotia has been under consideration for some time since it was found to work to the disadvantage of Ontario. Because Ontario is a wealthy province there is therefore a basis for Mr. Hepburn's contention since if wealthy Ontario residents with estates in other provinces, die in larger numbers than wealthy residents of other provinces with estates in Ontario, the latter province loses on the ledger balance of succession duties payable.

Scramble For Revenue

On the surface therefore, Ontario's move indicates that B. C., Alberta, P.E.I., New Brunswick and Nova Scotia were showing a better return from their part of the bargain than Ontario from hers, and similarly the action of Premier Aberhart in cancelling reciprocal succession duty exemptions with British Columbia, Ontario, New Brunswick, Great Britain and Northern Ireland would infer that Alberta was getting the worst of the bargain. Thus, apparently the scramble for revenue has overshadowed the ethics or fairness of the succession duty tax itself with results that have now rendered the situation acute for taxpaying estates.

Basically the former reciprocity was recognition that taxes paid on assets in other provinces should be allowed as a form of exemption in the province where the deceased resided. The reciprocal theory did not work satisfactorily as a revenue producer, but its cancellation does not alter the basic fairness of such exemptions.

Is There a Remedy?

What will be the outcome?

To remove duplicate or triplicate succession duty taxation some form of interprovincial agreement affecting all provinces is a possibility.

To effect that would necessitate a complete rearrangement of the different succession duty laws and rates of taxation among the provinces, on a basis which each province would regard as fair; or more important, in a way by which no revenue would be lost. The Royal Commission may conceivably give some study to that aspect of the question.

The chief alternative, depending on the findings of the Royal Commission, would seem at the moment to be transfer of succession duty taxation to federal jurisdiction, in return for a compensating revenue in the form of other tax receipts. Another adaptation of this possibility is collection of succession duty by the Dominion and its distribution pro rata with the wealth and population of various provinces, but that too is in the realm of conjecture.

Taxes in Nine Provinces?

Uniformity, or at least, an equitable basis for succession duty levies must, however, develop out of the existing confusion, informed quarters assert. Executives of trust companies and others in daily contact with the situation point out that in an ordinary security portfolio, shares and bonds may represent companies with head offices or transfer offices in all nine provinces—and without reciprocity those represent taxable assets in nine provinces.

Other assets are similarly scattered geographically, in the case of estates of even moderate size and the claims of nine provinces could conceivably reduce the value of an estate to negligible proportions under the new system of "every province for itself."

Investors Affected

Investors normally buy their securities on the basis of a company's assets, earning power and future prospects. Under the present system of succession duty taxation it is necessary to give close attention to whether the company's head office happens to be located in Port Credit, Ontario or Kamloops, B. C., a state of affairs that perhaps borders on the ridiculous.

One method of escape continues to exist for large estates. It is by incorporation of a "personal" company. The expense involved does not render the plan practical for smaller estates, but it is a common practice for men of wealth to form a personal corporation, issue shares to future estate beneficiaries and by establishing a head office in one province, avoid death duty taxation elsewhere. The assets do not pass in the ordinary sense at death, but only the shares of the personal corporation held by the deceased, and taxable only in the province where the "head office" is located.

Taxation in Triplicate

Cancellation of reciprocal succession duty exemptions between various provinces will have far reaching effects on succession duties payable by large and small Canadian estates.

Using an estate of $100,000 as an example, some astonishing results appear when the former reciprocal arrangement is compared to the present situation.

A man domiciled in Ontario leaving an estate of $100,000 to a widow aged 64 for her lifetime, with the remainder going to two children on the widow's death, may have assets of $25,000 in Quebec, $25,000 in Nova Scotia, and the balance in Ontario. He has never enjoyed exemption from Quebec, but the following result is shown in the form of new taxation on his estate now imposed by all three provinces:

Est. Life Interest $	Tax Rate %	Tax $	Total Tax $
Ontario Duty			
50,110 (widow)	6.5	3,257	
49,890 (children) ...	5.0	2,494	
		5,751	
Plus surtax	15.0	862	
			6,613
Nova Scotia Duty			
50,110 (widow)	5.0	2,505	
49,890 (children) ...	4.50	2,245	
Plus surtax	10.0	4,750	
			5,225
		4,750	
Plus surtax	10.0	475	
(Total duty in province—$5,225—is multiplied by value of assets in the province — $25,000 — and divided by total value of the estate in and out of the province—$100,000 to determine Nova Scotia tax of)			1,306
Quebec Duty			
$100,000 at 8% tax rate ...		$8,000	
(Total duty of $8,000 is multiplied by assets in the province — $25,000 — and divided by the value of the estate in and out of the province — $100,000 — to determine Quebec succession duty of)			2,000
Total tax in all three provinces ..			9,919

In the estate noted above the former reciprocal arrangement would have permitted the deduction of $1,306 Nova Scotia duties from the Ontario tax of $6,614. Thus the estate would have paid only $8,614 to the three provinces. And had there been assets only in Ontario and Nova Scotia, reciprocity would have permitted a still greater saving. The example above is a highly conservative one it should be noted, since far higher rates and surtaxes apply where larger estates pass in other forms than a life interest to the widow.

Business Disappointing For Standard Paving

A considerably greater net loss is reported by Standard Paving & Materials Ltd. for the year ended March 31, 1937. A disappointing volume of business and low prices caused the poor showing for the past year. Most of the company's contracts were in the Maritimes and weather conditions in Nova Scotia caused delays in grading jobs.

New plant and equipment purchased during the year cost $57,644. A bank loan of $159,630 for deposits on tenders accounts for the rise in current liabilities. Arrears of preferred dividends now amount to $33 a share.

Consol. Income and Surplus Account
Years Ended March 31

	1937 $	1936 $
Net oper. profit	*55,834	41,623
Add: Misc. income ...	16,555	9,950
Net earnings	*39,279	51,573
Less: Deprec. & deplet.	99,387	93,646
Net loss	138,666	42,073
Less: Prev. surplus ...	324,329	366,401
Adjustments	43,809	......
Surplus forward	229,472	324,328

Working Capital

	1937 $	1936 $
Current assets	435,505	437,986
Current liabilities	229,750	59,391
Working capital	205,755	378,595

Consol. Sand and Gravel Reports Higher Earnings

Consolidated Sand & Gravel Ltd., controlled by Standard Paving & Materials Ltd., reports a substantial improvement in earnings for the year ended March 31, 1937. A net profit of $981 for the past year was equal to 11 cents a share on the preferred stock against a deficit of $3.73 a share in the year ended March 31, 1936. Accumulated arrears of dividends now amount to $33 a share.

Outstanding preferred stock was reduced by 619 shares during the past year, leaving 8,875 outstanding.

Income and Deficit Account
Years Ended March 31

	1937 $	1936 $
Oper. earnings	65,311	15,736
Add: Inc. from invest.	5,921	4,680
Net income	71,232	20,416
Less: Deprec. & deplet.	70,251	55,870
Net profit	981	*35,454
Less: Prev. deficit	142,203	106,749
Deficit forward	141,222	142,203

Working Capital

	1937 $	1936 $
Current assets	240,821	200,415
Current liabilities	2,248	4,060
Working capital	238,573	196,355

New Building

Tyrrell Research Laboratories, Chatham, Ont.; factory plant at Point Aux Roches, $30,000.

Canadian Liquid Air Co., Winnipeg, brick addition to factory.

Kenwood Mills Ltd., Arnprior, Ont.; two-story addition to plant, structural steel frame, brick walls.

Rennie Industries, Toronto; installation of hosiery manufacturing equipment and factory air conditioning, $50,000.

Laura Secord Candy Shops, Toronto; addition to factory, $20,000.

Anaconda American Brass, New Toronto, Ont.; extension of plant and alterations, $125,000.

National Cellulose of Canada, Toronto; addition to factory.

Canadian Industries, Windsor, Ont.; two-story factory building, $17,850.

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Beaupre, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Newsprint
Groundwood Pulp — News Sulphite Pulp
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E. B. Eddy Company, Limited calls in "Foundation" to conduct a substantial programme of plant rehabilitation. Illustration shows additions to sulphite plant in course of construction.

Greatly increased activity in the Canadian pulp and paper industry has brought with it need for extensive programmes of re-habilitation and expansion as well as the construction of new developments.

The Foundation Company's long and varied experience in catering to the exacting construction and installation requirements of the industry enables it to offer unusual facilities of personnel and equipment to firms contemplating developments.

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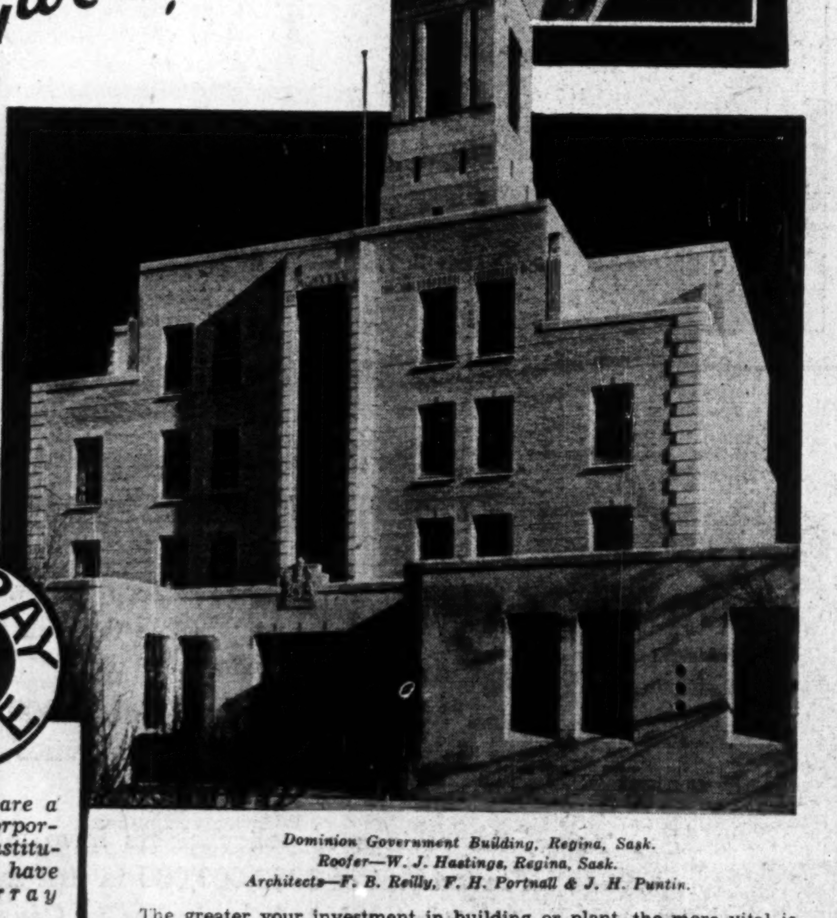
HALIFAX — MONTREAL — TORONTO

"If its PROTECTION you're looking for, a MURRAY BUILT-UP pitch and gravel roof will give it!"



Dominion Government Building, Regina, Sask.
Roofer—W. J. Hastings, Regina, Sask.
Architects—F. B. Reilly, F. H. Portnall & J. H. Puntin.

MURRAY M MADE

Following are a few of the corporations and institutions which have chosen Murray Made roofs:

Sun Life Building
Canada Life Ins'ce Co., Toronto
The T. Eaton Co. Ltd., Toronto
Campbell Soup Co., Toronto
Canadian Pacific Railway Co.
Federal Government
Harbour Commissioners of Halifax
Harbour Commrs. of Saint John, N.B.
Bank of Montreal
Bank of Nova Scotia
Beauharnois Power Corporation
Bell Telephone Co. of Canada
Canadian Bank of Commerce

The greater your investment in building or plant, the more vital is the question of roof protection. A constant study by Murray Engineers of the chief causes of roof failures has resulted in the successful development of effective means of overcoming these difficulties.

First—in Murray built-up roofs we utilize only those materials which have **PROVED** their value in actual service. Innumerable pitch and gravel roofs have given trouble free service for 40 years and more, proving the reliability of these materials. Second—the installation is wholly under the experienced supervision of Murray Engineers, leaving no leeway for errors to creep in and shorten the life of the roof. That is why we can guarantee them with a bond for 10, 15 or 20 years, depending upon the specification selected.

FREE INSPECTION
If you are uncertain about the present condition of your roof, write or call our nearest office for a free inspection of and written report on its condition. No obligation is incurred.

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United Grain Growers

I hold some shares of United Grain Growers and would like your comments on the prospects for improved earnings and on market value of the stock.

United Grain Growers Ltd. is, of course, dependent to a large extent upon the volume of grain handlings in western Canada for its earnings. Consequently, the current prospects for improvement in earnings for the shares depend to a considerable extent upon this year's crop. To that extent, the immediate outlook for the shares is partly guesswork.

The company's record indicates that it is favorably situated in the grain business, and from the investment viewpoint, it has the advantage of a moderate capitalization. The senior securities consist of $3,275,000 of first mortgage bonds, and on these the company has covered interest charges, after depreciation, for every year in the depression, excepting only 1933. The company has paid dividends on the common shares every year, yet working capital of $1,741,000 at July 31, 1936, was maintained at the highest point for the past seven years. There is a net equity of over $42 a share for the common stock which has a par value of $25 a share and a market price of $10 a share. In the current year, which closes July 31, the company's earnings may be affected adversely by the small 1936 crop, and also by the fact that in the past year there has been a very small quantity of grain in storage compared with the years when the Government was hoarding wheat. The dividend on the common was reduced last year to 75 cents a share compared with the rate of $1 a share which had been paid from Sept. 1, 1932. The company pays dividends annually, and the low price of the shares seems to reflect uncertainty over this year's payment.

Ontario Silknit Preferred

Can you give me information which will permit a reasonable appraisal of the outlook for Ontario Silknit Ltd.? Why is the preference stock so low in price?

Net profit of Ontario Silknit Ltd. for 1936 was equal to $3.28 a share on the preference stock compared with $11.64 a share in 1935. Dividend requirements on this stock are $7 a share annually. After payment of regular preference dividends there was a deficit of 3 cents a share in 1936 for the common against net earnings of $1.16 a share in 1935. Operations of the company in Canada were particularly unfavorable in 1936 while those of the British subsidiary were not much better. The Australian company had a good showing and was responsible for the decline in earnings not being greater than it was. We are informed that the first months of 1937 have shown improvement over the corresponding period of 1936. Labor troubles have been experienced at the Toronto plant over the past few weeks and have been responsible for shifting export business from the Toronto plant to that in Great Britain. A settlement of this dispute was recently negotiated. This combination of disappointing earnings in 1936 and labor difficulties has been partly responsible for the decline in the market price of the stock.

Montreal Tramways

I hold some of the general mortgage bonds of Montreal Tramways Co. In view of the reported political difficulties over the contract, do you think that there is any danger to interest payments?

Quebec Government has passed legislation to form a committee to investigate the contract made between the Montreal Tramways Co. and the city of Montreal in 1918. Reports of this investigation have had an unsettling effect on Montreal Tramways securities. While it is possible that some contract adjustment may be made, as a result of enquiries of this commission, we do not anticipate that such changes will interfere with payment of interest on the general mortgage bonds.

Canadian Gen. Investments

Can you outline the steps leading to the formation of the present Canadian General Investments Ltd.? What was the approximate value of the shares at the time of formation of the various investment trusts which have been combined to form the present company?

There have been a number of changes in the formation of the present Canadian General Investments Ltd. The first trust to be formed of this group was known as Canadian General Investment Trust Ltd. This was followed in Jan., 1928, by the formation of Second Canadian General Investment Trust, Ltd.

In Jan., 1930, Second Canadian General Investments, Ltd., was incorporated and shareholders of Second Canadian General Investment Trust, Ltd., received 320,000 no par value shares in the new company for the 80,000 shares of Second Canadian General Investment Trust, Ltd., which had been subscribed, plus $80,000 on the basis of $1 for each old share held.

On April 29, 1931, shareholders of Second Canadian General Investments, Ltd., approved an increase in authorized capitalization to one million shares, and also a change in the company's name by the elimination of the word "Second." By this change Canadian General Investments, Ltd. was formed. On May 27, 1931, shareholders ratified the proposals of the directors to amalgamate the Canadian General Investment Trust Ltd., the "first trust," and Canadian General Investments, Ltd., the "second trust." At a meeting on April 4, 1932, shareholders ratified the by-laws covering the acquisition of the assets of Canadian General Investment Trust Ltd. for 300,000 shares. The share exchange was made on the basis of four shares of Canadian General Investments Ltd. for one share of Canadian General Investment Trust, Ltd. This amalgamation became effective as of June 30, 1931.

Quotations on stocks of Second Canadian General Investments and Canadian General Investment Trust were apparently only nominal at the time of the merger in June, 1931. Shares of Canadian General Investment Trust were quoted at $32 a share as at June 23, 1931, and shares of Second Canadian General Investments were at approximately $10 a share at the same date. There were no bids published on these stocks at that time.

Dominion Combing Mills

Have you any information regarding Dominion Combing Mills?

Dominion Combing Mills had a plant at Trenton, Ont. Stock was sold during 1922 to 1924 but the company was never able to operate successfully. By 1927 it was in financial difficulties and F. C. Clarkson, Toronto, was appointed liquidator. The company's assets were sold and creditors were paid about 25 cents on the dollar. There was nothing left for shareholders since creditors did not get payment in full. The plant and equipment of Dominion Combing Mills Ltd. was acquired by Trent Cotton Co. Ltd., a subsidiary of The Hamilton Cotton Co.

Goodyear Tire

Will you please outline the capital, earnings and dividend policy of Goodyear Tire & Rubber Co.? I would like some idea of the prospects for higher earnings.

Goodyear Tire and Rubber Co. of Canada has outstanding $6 millions of 5% preferred stock and 257,260 common shares. Last year's earnings amounted to $12.64 a share on the preferred, or over five times the annual dividend rate of $2.50 a share. Net profits amounted to $4.73 a share on the common. The company is paying regular common dividends of $2.50 a share, but after the close of 1936 it distributed $2.50 a share extra on the common. It is not certain that this policy of common dividends will continue but the company's powerful financial position indicates that if earnings continue to grow the company is in a position to be generous with its common shareholders. The company's business has been affected to some extent by the rise in the price of its chief raw materials, cotton and rubber, but it was stated officially in a recent letter to shareholders that it was well protected against price fluctuations in these lines. There has been a tendency for the company's earnings to become stabilized in recent years, although there is still scope for some further expansion.

Mutual Finance

Please advise whether the stock of Mutual Finance Corp. is of any value at the present time.

We are informed by Mutual Finance Corp. that there is no market for the company's stock at present and its future depends entirely on the future of the city of Windsor. The company is in possession of some 350 properties and there was a slight improvement in revenue from these properties in 1936. No dividends have been paid since January, 1932, and it is not possible to say at this time when dividends can be resumed. Income for 1936 was $107,758, compared with $70,568 for 1935. Net loss for the year was $10,650 in 1936 and $28,481 in 1935. The company's working capital had increased to $33,156 at the end of 1936 as compared with approximately $23,000 a year earlier. Net book equity at Dec. 31, 1936, was composed of total assets of $1,060,207 less current liabilities of $24,207. This equity is nominal, however, and its real value depends upon realizations, subject to first mortgages ahead of the company's assets. The company has been engaged in real estate financing in Windsor for a number of years.

Capital Estates

I have some shares of Capital Estates Incorporated, and would like an explanation of the relation of this company to Coast Breweries and information on its holdings.

Capital Estates Inc. is a Delaware incorporation, formed in 1935 by Coast Breweries Ltd., of Vancouver. Capital Estates is capitalized at 250,000 shares and its stock is listed on the Vancouver Stock Exchange. Capital Estates acquired the interests in two American brewing companies which were formerly owned by Coast Breweries Ltd., Vancouver. Shareholders of Coast Breweries received a share for share distribution of stock in the Capital Estates which necessitated the issuance of 180,315 shares. This distribution was made to shareholders of record Dec. 15, 1935, and late in 1936 a stock dividend of one share for every six shares held was paid. The two American breweries in which Capital Estates acquired an interest were Star Brewery Co., Vancouver, Wash., and General Brewing Corp., San Francisco. Coast Breweries Ltd. held 1,730 shares, of $100 par value of the capital stock of Star Brewery Co. which were acquired at a cost of $91,055. This equity was transferred to Capital Estates in 1935. As at June 30, 1936, Coast Breweries still held a 5½% first mortgage on the Star Brewery Co. amounting, with accrued interest, to $113,025. In General Brewing Corp., Coast Breweries Ltd. owned 73,500 shares, acquired at a cost of $357,500. This equity was transferred to Capital Estates in 1935. As a result of the distribution of stock in Capital Estates Coast Breweries equity in these two American brewing companies was transferred directly to the shareholders. The stock of Capital Estates has been quoted recently around $8 a share.

Loblaw Groceterias

Please give me information on the trend of earnings of Loblaw Groceterias Co. and the situation of the shares for investment.

Loblaw Groceterias Co. has a capital outstanding of 445,056 class A shares, and 383,300 class B shares. Through the depression, the company showed earnings consistently over $1 a share, the maximum decline being from $1.28 a share in the year ended May 31, 1930 to $1.08 a share on the combined class A and class B stock in the year ended May 31, 1935. Since 1935, the company's earnings have improved and are expected to be close to $1.30 a share for the year just completed. This is reflected in maintenance of the dividend at $1 a share and the June 1 payment of a bonus of 12½ cents a share on both classes of stock. The bonus brings total payments for the year that closed May 31, 1937, to $1.12½ a share.

The company operates approximately 110 food stores throughout Ontario, and although the expansion in the form of opening of new stores has passed its peak, the company has improved its volume by turning individual stores into larger market units. The shares represent an equity in an organization which is now notable for its stability and efficiency, whereas a few years ago it was remarkable for its expansion.

National Breweries

Please be good enough to give me a brief opinion on National Breweries, in which I hold some common stock.

National Breweries finances are exceptionally strong and the management is well regarded. Sales of the company are reported to have been somewhat restricted recently, which has had an influence upon market value of the stock. However, indications are that the current dividend rate will be maintained without difficulty.

Sherwin-Williams

Please give your opinion on the future prospects of Sherwin Williams Paint Co. of Canada 7% preferred. I notice that the directors of this company have declared a dividend of $1.75 a share to be applied on arrears.

Sherwin Williams Paint Co. of Canada is one of the largest enterprises of its type in the Dominion. While operations and earnings were reduced during the depression years, the company is coming back strongly. Immediate outlook for the company is considered favorable and it is anticipated that the financial statement for the current year will show an improvement in earnings over those reported in 1936. It should be noted, however, that while dividends are now being paid on preferred stock, the arrears as at Jan. 2, 1937, amounted to $14 a share. It is likely that the directors will take steps during the current year to reduce or liquidate these arrears.

While the current payments of $7 a share annually are termed payments on arrears, it must be remembered that they simply equal the current cumulative dividend rate, so the arrears have not been reduced although the accumulation of additional arrears has been halted.

Dosco

Are the bonds of Dominion Steel and Coal Co. considered safe as to future payment of principal and interest?

Many developments might take place which would affect the ability of Dominion Steel and Coal Co. to carry out all obligations in connection with the 6¼% income bonds. In recent years the capitalization of Dosco has been substantially reduced with the result that the company is in a better position to maintain interest payments. There are still arrears of interest payments on the bonds, but it is possible that if operations and earnings for this year come up to expectations, steps will be taken to pay them off.

Price Bros.

I am holding some of the ordinary shares of Price Bros. and would like to have your opinion as to the desirability of holding these over a considerable period.

Price Bros. and Co.'s financial affairs have been straightened away as a result of the reorganization carried out a short time ago. The outlook for the company is considerably better than it has been for many years past. Plant operations are on a satisfactory level and with the indicated advance in price for newsprint on 1938 deliveries, expectations are that the company will be able to report a substantial increase in earnings. Estimated earnings with newsprint at $50 a ton vary considerably, but if there is no falling off in tonnage, it is generally believed that the company should be able to report $3 to $5 a share on the ordinary stock. The stock advanced considerably in value on the more promising prospects for the company. Subsequent decline in value is attributed more to general stock market conditions than to any unfavorable development in the company or industry's position. You will have to wait some time before dividends can reasonably be expected.

McColl-Frontenac

Will you please let me have a report on the current position of McColl Frontenac Oil Co?

McColl-Frontenac Oil Co. reported increased sales during the fiscal year ended February last, but owing largely to advances in taxes, operating profits were less than in the previous year. Income was sufficient to cover interest charges and the dividend on preferred stock, but was inadequate to cover the dividend of 80 cents a share on common stock. As a consequence directors recently reduced the common stock dividend to 40 cents a share annually. At the annual meeting the president stated that earnings so far this year were ahead of 1936, but did not give any particulars. He also referred to developments in the Trinidad oil fields, in which the company now has a substantial stake, and expressed confidence that they would be in time a valuable asset for the company.

C.I.I. Trust

Will you please let me have information about Canadian International Investment Trust, the equity and earnings back of its bonds?

Canadian International Investment Trust has maintained all obligations in connection with its first collateral trust bonds, which were issued in the fall of 1929. At one time, 1933, the equity back of each $1,000 bond dropped to $1,268, while the low point for earnings was 1934, when bond interest was earned 1.41 times. The company has made considerable recovery from the depression low, the report for the year ended Feb. 28, 1937, showing an equity for each $1,000 bond of $2,437, and bond interest earned 1.98 times. This is the largest equity reported by the company in several years and the best bond earnings since 1932.

In common with a number of other Canadian investment trusts, this company does not disclose particulars of its investment portfolio.

Cons. Paper

Will you please let me have your report on Consolidated Paper Corp. especially from the point of view of the common stock?

Consolidated Paper's sales and earnings have shown consistent increased and, as in the case of other newsprint companies, the outlook for this enterprise appears favorable. Operations are still below effective capacity but the tonnage manufactured and sold is steadily increasing. Bond interest payments over the next three years have been liquidated through issue of common stock, giving the company an opportunity to pay off its bank loans and build up working capital. There is no prospect of a dividend on the common stock until the bonds are again on a cash paying basis (after the end of the three-year period) so that the value of the company's common stock depends partly on progress in strengthening the financial position of the company and liquidating its bank loans, and partly on hopes of earnings three years hence.

Winnipeg Electric

Has there been any improvement in the position of Winnipeg Electric Co. since its reorganization, and will the company be able to pay a dividend on the common stock?

Under the plan of reorganization for Winnipeg Electric, the capitalization was substantially reduced, together with a lowering of interest charges. Under the new set-up, the company has been able to show interest charges earned by a comfortable margin. There have been no earnings available on the common stock and in this connection we might point out that the company cannot pay any dividend until contingent certificates amounting to over $1 million have been retired.

Montreal Power

I purchased some of Montreal Light, Heat and Power common stock at $36 a share and would like to have your views on the outlook for this company.

Quebec utility stocks are somewhat in disfavor with investors at present, largely as a result of agitation against public utility companies and the Provincial Government's enactment of new legislation, providing closer regulation of finances and operation of the providing companies. So far this year Montreal Power's output of electricity and gas compares favorably with a year ago and it is likely that the company will show a moderate increase in share earnings this year. However, there is no anticipation of any increase in the current dividend rate of $1.50 a share. As there is a limited speculative interest in the company's stock at this time, it is anticipated that the market action of the shares will reflect investment buying rather than anticipation of advanced values.

Com. Alcohol Stocks Taken Up

From Our Own Correspondent

MONTREAL.—Preferred shareholders of Commercial Alcohols have taken up 74,000 of the 75,000 shares of common stock which were offered to them in the form of rights at 80 cents a share on the basis of 1½ shares of common stock for each share of new preferred stock received by the old shareholders.

Bell Telephone Dividend Up

Shareholders' Payments and Employee Wages at Pre-depression Level

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has increased the dividend on the capital stock to 2% quarterly, placing the shares on an annual basis of 8% as compared with 6% in effect since the quarterly payment of 1½% was made on April 15, 1933.

From 1891 to 1932 the company paid 8% per annum on its capital stock. With the depression and restriction of operations, the company was forced to economize by reducing the dividend, reducing wages and shortening working time. In the last few years there has been a steady improvement in the company's position, with the result that wage level has been restored, working time lengthened and, finally, full dividend paid.

The present 8% rate on the stock compares with net earnings in 1936 of $6.96 a share. Indications are, therefore, that the current rate of earnings is running in excess of $8 a share.

Wabasso Cotton Profits $235,686 for the Year

Wabasso Cotton Co.'s financial statement for the year ended May 1, 1937, shows a gross profit of $919,638, as against an income of $603,369 for the 10 months ended May 2, 1936. After deducting senior charges, net earnings available for dividends totalled $235,686 as against $83,020 for the 10 months' period. Share earnings totalled $3.17 as against $1.19 in the previous short period.

The balance sheet shows an expansion of about $400,000 in assets to a total of just under $8.9 millions. Investment in plant increased during the year by $178,000 to around $6.1 millions. Cash and Government bonds amounted to $524,688, as against $324,232 on May 2, 1936. Among liabilities accounts payable show a sharp increase from $82,368 to $285,221.

Income and Surplus Account

	12 Mos. ended May 2 1937 $	10 Mos. ended May 1 1936 $
Operating profit	903,306	565,843
Inc. investment	16,242	37,526
Gross profit	919,638	603,369
Less: Depreciation ...	396,500	276,208
Bond interest	120,707	97,120
Bond disc.	21,287	*45,184
Directors' fees	2,120	2,200
Legal fees	3,711	......
Exec. salaries	36,627	†32,637
Tax reserve	83,000	67,000
Invest. reserve	20,000	......
Net earnings	235,686	83,020
Dividends	34,951	......
Surplus	200,735	83,020
Previous surplus	462,673	379,653
Surplus forward	663,408	462,673

*Includes sinking fund and refunding expense on old bonds.
†Including legal fees.

Working Capital

	1937 $	1936 $
Current assets	2,090,577	1,866,451
Current liabilities	668,071	287,676
Working capital	1,422,506	1,578,775

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Life Insurance

Non-Medical Insurance Records Marked Growth

Now Amounts to $6.5 Billions in Canada and United States — Maximum Age Limit for Policies Is Reduced

Since its inception in 1921, non-medical insurance has developed to a point where it now constitutes more than one-eighth of the total business of companies which write it in Canada and the United States, V. R. Smith, general manager of the Confederation Life Association and president of the Canadian Life Officers Association, stated at a meeting of the Home Office Life Underwriters Association in Chicago last week.

A survey of ordinary business in force last year of 150 companies operating in Canada and the United States, indicated that only 59 companies were able to give detailed information on non-medical insurance. Sixty-one stated that they wrote non-medical but were unable to give the exact separation between medical and non-medical. The remaining 30 confined underwriting to medical business.

Growth of Non-Medical

From the 59 reporting companies, it was found that non-medical has grown from nothing in 1921 to 4.1% of the total in 1926, 11% in 1931 and 13.4% last year. It is particularly popular with smaller companies, accounting for almost 30% of all business of the 29 companies whose total in force was less than $100 millions at the end of last year. Companies writing up to $500 millions report that the percentage of non-medical to the total is 22, those between $500 millions and $1 billion, 13.8 and those over $1 billion 11.1.

Total business of the 150 companies amounts to about $71 billions, the bulk of ordinary insurance in force on this continent. Assuming that the 61 companies who write non-medical, but who could not provide definite figures have some $1.6 billion in force, the amount of this $71 billions which represents non-medical business has been estimated at $6.5 billions. Mr. Smith considers that this figure gives a very close estimate of the extent to which this type of insurance has developed.

Many Non-Medical Policies

It should be kept in mind, he pointed out, that the above figures refer to amount only. In regard to number of policies, it is probable that the proportion of the population insuring non-medically is equal to or greater than the proportion insuring medically.

In recent years, the most important change in writing non-medical insurance has been a reduction of the maximum age limits, although there has also been a tendency to tighten up regulations with regard to maximum amounts of insurance. Of the member companies of the Home Office Underwriters Association, only 17 now allow a maximum age as high as 45 as compared with 21 previously. Eleven companies take age 40 as the limit.

Medical examinations were generally introduced about the middle of last century, but by 1890 some began to question the advisability of it in all cases. An English company pioneered a non-medical plan, but its policy was subject to severe limitations. Not until 1921 was non-medical insurance, without any limitations except as to age and amount, adopted on this continent by a group of Canadian companies.

Mr. Smith is of the opinion that the fundamental purpose of medical examination remains unchanged. First, it is to eliminate certain types of fraudulent cases, which would otherwise be received in increasing numbers. In the second place, it is to separate these cases, ranging between 5% and 10% of all applications, which cannot be approved, as applied for, on medical grounds. The success of non-medical insurance, he contends, therefore depends on the degree to which these purposes can be maintained.

Noranda Unit Adopts Group Insurance Plan

Extending the plan introduced by Noranda Mines, Canadian Copper Refiners wholly-owned subsidiary of Noranda, now has in effect a group insurance and savings plan under which the total accumulations to an employee's credit when he reaches retiring age are used to buy a life annuity of any kind desired. Each employee taking advantage of the savings plan is insured for $1,000 under a regular group insurance contract, the company bearing the entire cost of such insurance.

If an employee dies after five years' continuous service, his beneficiary will receive $1,000 plus the total fund to his credit through the savings plan.

Actuarial Society Names Wolfenden Councillor

H. H. Wolfenden, consulting actuary of Toronto, is one of five new council members elected at the recent annual meeting of the Actuarial Society of America. The others are Valentine Howell, associate actuary of the Prudential of Newark, J. E. Hoskins, assistant actuary of the Travelers, R. C. McCankie, associate actuary of the Equitable Life of Iowa, and W. R. Williamson, actuary with the Social Security Board at Washington.

Insurance Inklings

J. A. THORNLEY BOWMAN, associate medical director of the London Life will be one of the speakers at the Medical Section of the American Life Convention which will be held at Colorado Springs, June 17 to 19.

C. H. FULLER, of Kingsville, recently celebrated completion of 48 years of service with the North American Life. Among those present at the reception in his honor was President T. A. Bradshaw.

WILFRED TURLEY has been appointed inspector for the inland transportation, automobile and plate glass departments of the Great American group of companies.

PETER BROWN has been appointed district representative of the Mutual Life of Canada at Chatham. Mr. Brown was formerly with the company's Windsor office.

Windsor Hotel Requests Bids for Judicial Sale

Steps are being taken to reorganize the Windsor Hotel of Sault Ste. Marie under judicial sale proceedings. The Canada Permanent Trust Co., Toronto, has advertised that it will receive offers for the purchase of the assets and goodwill of the hotel up to noon on June 21, 1937.

Holders of the company's 6½% first mortgage bonds, due June 1, 1950, will meet on June 22, 1937, to consider any offers that may have been received.

Interest due June 1, 1933, and later, on the $319,000 of first mortgage bonds of Windsor Hotel of Sault Ste. Marie is in default.

Health Plan Now Under Way

Associated Medical Services Introduce Non-profit Insurance Scheme

A co-operative, non-profit health insurance scheme, directed largely by medical men, was launched this week in Toronto and in Norfolk County, Ont. Associated Medical Services, Inc., has inaugurated an insurance project, approved by the Ontario Medical Association, which its officers claim is more comprehensive than any voluntary scheme now in operation.

Non-medical participants in the plan contribute monthly premiums amounting to $2 for the first member of the family, $1.75 for the second, $1.50 for the third, $1.25 for the fourth and $1 for any additional members. That is, a family of five would pay $7.50 a month. Payments must be made for three months before a subscriber is entitled to benefit.

Medical Services Provided

In return, they will be provided with complete medical services including attendance of a physician at home, office or hospital, reasonable operating costs, anaesthetist's fee and a limited amount of drugs. Hospitalization provides for semi-private accommodation or a sum not exceeding $3.50 a day toward more expensive accommodation. Obstetrical care is provided where the subscriber has made at least 10 monthly payments. Automobile accidents will be covered except when responsibility rests with the other party.

From the other side of the project, the medical services are provided by any doctor who cares to co-operate. Officials of the organization state that many physicians have already signified their willingness, although names have not yet been made public. The subscribers will have the right to select their doctor from the list of those who co-operate in the scheme, and these doctors will be paid at the rates laid down in the tariff of the Ontario Medical Association. The plan will be operated strictly on a cost basis. Records will be kept, and if the rates are found to be higher than required to meet operating costs, they will be reduced.

Most "Non-Medical"

Most applicants will not require medical examination, it is understood. Application will be made in much the same way as to an insurance company, and if questionable disabilities are revealed, examination will be required. The major restriction at present is that the plan is limited to those under 65 years of age. Eventually, officers of the corporation state, it is hoped to include subscribers over this limit. Even now, subscribers who join up before age 65 are allowed to continue after that time for a period equivalent to the number of years they paid fees. Thus, if a man joined at 60, he would be eligible for membership until he was 70.

Introduction of the scheme resulted in no immediate rush of applicants. A number had accumulated, however, before it actually got under way, and negotiations are being carried on with a number of industrial concerns. Its sponsors hope that the project will be taken up by employer-employee groups on a contributory basis.

Directors of Associated Medical Services, which operates from government-donated offices at 11 Queen's Park, Toronto, are: Dr. J. A. Hannah, Dr. W. S. Cauldwell, F. G. Beardall, all of Toronto; and Dr. A. D. Jackson and H. M. Jackson of Simcoe.

HEADS ACTUARIES

V. R. Smith, general manager of the Confederation Life Association and president of the Canadian Life Insurance Officers Association, who has been elected president of the American Institute of Actuaries.

Rockwool Corp. Noteholders Meet

Company Placed in Receivership — Reorganization Expected

Accumulated operating deficits of about $95,000 have led to the appointment of Rutherford Williamson, Toronto, as receiver and manager of Rockwool Corp. (Canada). At present the receiver, who was appointed on May 19, 1937, is carrying on the business but is not doing any manufacturing. Operations are confined to shipment of orders.

A meeting of holders of the 5% floating charge notes, approximately $120,000, of which are outstanding, is to be held in Toronto on June 4. The meeting has been called to consider the condition of the company and probably to appoint a committee to act in a reorganization.

It is understood that the company would need to install at least three manufacturing units in its Brantford plant, in place of the present two units, in order to achieve a volume sufficient to operate profitably.

Union Gas Meeting Will be Lively Affair

Management Relates Eugene Coste Criticisms to Geological Contract — Coste Suggests Mismanagement of Company

The special general meeting of Union Gas Co. of Canada on June 8 promises to be a lively gathering. While proxies for large blocks of stock have been given in support of the present management, the large floating and scattered supplies of the shares lend some uncertainty to the outcome of voting.

Eugène Coste, a director, has requisitioned the meeting with the intention of removing from the board of directors the president and general manager of the company, S. A. Morse, and one other director, Arthur F. White.

Eight of the nine directors have expressed opposition to criticisms by Eugène Coste. They recently took the aggressive in suggesting that by forming Volcanic Gas & Oil Co., Mr. Coste was going into a business likely to interfere with Union Gas at a time when Mr. Coste's firm, Eugène Coste & Co., was acting confidentially as geologist for Union Gas. Mr. Coste states in reply that Union Gas is protected by franchise and that Ontario law prevents anyone competing with an existing gas utility in municipal markets.

Inferences and Suggestions

The inference in accusations by the majority directors is that Mr. Coste's criticisms arise largely from expiration of his firm's geological contract.

Mr. Coste suggests that Union Gas has not been managed in the best interests of the company's shareholders.

A summary by The Financial Post of the pros and cons of the main arguments which have been carried on largely by letters to shareholders follows:

Coste Criticisms:	*Management's Answers:*
1. Union Gas Co. paid $360,000 to the Hamilton subsidiary, United Fuel Investments Ltd., for which no value was received.	It was considered advisable to assist in maintenance of the United Fuel preferred dividend to help Union Gas to market bonds.
2. The Union Gas management erred in neglecting the London market for natural gas until 1935 and in concentrating on the Hamilton market.	Finances of Union Gas did not permit exploitation of the London market until 1935, and Mr. Coste admits as much in his letters.
3. President S. A. Morse of Union Gas was offered and accepted a salary of $40,000 a year.	Mr. Morse surrendered his right to $40,000 a year in 1934 and is being paid $25,000.
4. Union Gas Co. assumed $2.6 millions of debts of United Fuel Investments and subsidiaries to the prejudice of Union Gas finances.	Union Gas did not so assume debt, but purchased $3.1 millions of United Fuel bonds all of which have been repaid except $450,000.
5. Arthur F. White, a director of Union Gas Co., was acting in an undisclosed dual capacity in suggesting a guarantee of dividends of United Fuel Investments in which Mr. White was interested as an official of Dominion Securities Corp. and of the Bank of Commerce.	All the directors, including Eugène Coste, knew that Mr. White was an official of Union Gas, United Fuel, Dominion Securities Corp. and of the Bank of Commerce, and records of Union Gas show that Mr. White revealed the offices he held in the various companies.

Coal Lobby Aims to Cut Present Duty

Distributors Seek Removal of Impost at Next Session

From Our Own Correspondent

OTTAWA.—Determination of the coal distributing interests of eastern Canada to have the duties of 50 and 75 cents per ton respectively on American anthracite and bituminous coal removed at the coming session of Parliament is indicated in the fact that representatives of the coal lobby have already made their appearance on Parliament Hill, with a view to preparing the ground work for the coming campaign.

The case of the lobby is based upon the contention that the coal duties were intended to create a preference in the Canadian market in favor of the British mines, but that they have failed to do so, British coal imports for last winter having been down 270,000 tons from their high point of 1928. Consequently, it is argued, the duties remain simply a burden on Canadian consumers, without achieving the purpose for which they were imposed.

Ontario and Quebec Hit

Furthermore, it is argued that the duties are discriminatory against only two provinces—Ontario and Quebec, with the former suffering by far the more heavily. Ontario is said to pay 75% of the cost of the duty on bituminous coal and 90% of the cost of the duty on anthracite. The burden is represented, also, as one which rests on industry and householders alike.

Strong opposition to the coal lobby's aims have already been indicated from the Maritime Provinces. The bituminous mines down there, particularly in Nova Scotia, have only succeeded in the last few years in building up a substantial trade with central Canada on the basis of tariff protection and freight rate subventions combined. The Maritimes have indicated, accordingly, that any move for the abolition of the coal duties will be fought tooth and nail from there.

Burlington Steel Co. Sets Dividend Rate

A regular dividend basis has been established for the common shares of Burlington Steel Co. Quarterly payments of 10 cents a share are to be made, or at an annual rate of 40 cents a share.

A payment of 20 cents a share is being made on July 2, 1937, to shareholders of record June 15, This payment covers the first two quarters of 1937 but future payments are to be made quarterly.

Increased volume as compared with the corresponding period of 1936 has been experienced by Burlington Steel Co. in the first half of 1937. The company has also been assisted by several price increases. The increased scale of operations is expected to continue through the summer months when construction activity is greatest.

Burlington Steel Co. had net profits of $55,982 in 1936, equivalent to 39 cents a share. Establishment of a regular dividend rate of 40 cents a share for 1937 indicates improved earnings.

Ottawa Traction Co. Calls Mortgage Bonds

From Our Own Correspondent

MONTREAL. — Ottawa Traction Co. has called for redemption on July 1 next, all of its outstanding 5½% first mortgage and collateral trust bonds, amounting to $2.3 millions, at 103 and accrued interest. Payment will be made at the option of the holder in Canadian, American or Sterling funds. In this connection, the operating company, Ottawa Electric Railway, is currently making an offering of serial bonds which will effect a considerable saving in interest charges.

Can. Inter. Paper Expands in Pulp

Advances Scheduled Wage Increase by Four Months

From Our Own Correspondent

MONTREAL.—Canadian International Paper has completed or under way plans which will bring about a substantial increase in sulphite pulp production. Announcement has been made of plans for the enlargement of the sulphite department at Gatineau. The additional production from this mill will be shipped to the International Paper plant in the United States.

Meanwhile it is learned that the company has increased by 15,000 tons the annual capacity of the Hawkesbury and Kipawa plants, which produce a high-grade sulphite pulp for further manufacture into rayon. Both these mills have been operating at capacity for some time and have developed extensive domestic and export connections.

Reflecting the increased activity of the company, announcement is made that effective Sept. 1, wages of all hourly paid employees of Canadian International Paper will be increased 5%. This increase, which will affect about 5,000 employees at the company's plants at Gatineau, Three Rivers, Temiskaming, Dalhousie, Hawkesbury and Corner Brook, will involve addition of $400,000 to $500,000 to annual payrolls.

Earlier Wage Boost

The company had entered into an agreement with the employees to raise wages by approximately 5% effective Jan. 1, 1938, but has decided to do it earlier.

This is the second wage increase announced by the company this year, a two-cent per hour boost, equivalent to about 4%, having been put into effect on May 1. The combined increases should involve an extra $750,000 in annual payrolls.

On the new basis the minimum wage to be paid the company's workers will be $20.64 per week for 48 hours. At present, the minimum wage for the 48-hour week is $19.20. All the company's mills are operating at practically full capacity.

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Automobile Rates Up In British Columbia

Sharp Increase in Public Liability—Discontinue "No-claims" Bonus

Effective from May 15, automobile insurance rates in British Columbia have been substantially increased by member companies of the British Columbia Underwriters Association. It is likely that non-board companies will follow suit.

It will be recalled that about two months ago a general increase in automobile rates of about 5% was announced by board insurance companies. That announcement stated that the increase would be Dominion wide. British Columbia did not participate, however and the revised schedule applicable in that province has just made its appearance.

Generally speaking, the increases are much more pronounced than in other parts of the Dominion. In "territory A," for instance, which includes Vancouver, New Westminster and adjacent municipalities, there is an increase of 25% in public liability rates for private cars, and an increase from $4 to $6 in passenger hazard rates. On the remainder of the mainland, the public liability rate is up 10%, collision 20% and passenger hazard up from $4 to $6. No changes, other than reductions arising from discontinuance of "no claims" bonus and discounts, have been made in Vancouver Island rates.

Loss Ratio High

It is probable that the relatively greater increases in British Columbia arises from the exceptionally bad underwriting experience in recent years. Last year, the loss ratio on automobile business was about 70%. As in other sections of the Dominion, the pacific province has eliminated the "no claims" bonus.

Small Car Increase

Under the new schedule, the premium for a five point policy on small cars will be increased from the old rate of $52.14 to $59.05. This increase of $6.91 may be jacked-up another $2 if passenger hazard is carried. Corresponding increases have been made in the large car group.

On commercial vehicles, public liability rates have been increased 25% in territory A, with an advance in theft rates of from 20 cents to 30 cents on class I vehicles, and of from 25 cents to 40 cents on class II vehicles. There are no changes in other districts.

In respect to both private and commercial automobiles, provision has been made for $75 deductible coverage.

In referring to the revised schedule, the Underwriters' Association states:

"In the present revision, the important increases are those for public liability and passenger hazard. Even these increases, whatever increase in premium volume they produce, will be insufficient to restore the business of automobile insurance to a basis where an economic balance can be struck between losses and premiums."

Accident Men Name Committee

Act as Advisory Body to Insurance Superintendents

A committee of representative insurance men has been formed to consider revision of statutory conditions and standardization of contract wording in respect to accident and sickness insurance.

At the last conference of the Superintendents of Insurance, the Ontario and Manitoba superintendents were constituted a standing committee to consider legislation dealing with this type of insurance. This committee was given power to form an advisory committee of insurance men, but, until the present time, no action has been taken.

A meeting of the new committee, which is expected to fulfill the purpose of a similar committee about two years ago, has been called for June 10 and 11 at Toronto. Members who have been nominated are as follows:

H. F. Roden, Canada Accident.
J. C. Stuart, Dominion of Canada General.
G. Fielding, Ocean.
W. Turvey, Western.
P. May, Royal.
J. R. Lacey, Travelers.
H. L. Wallace, General Accident.
V. C. Smith, Lumbermen's Mutual.
R. D. Bedolfe, Continental Casualty.
J. G. Godsoe, Confederation Life.

May Volume Drops On Toronto Exchange

Both the miscellaneous mines and the gold index made two-year lows on May 13, but the former recovered about six points out of a net loss for the month of eleven; while the golds finished around 120 after touching a low of 119, says the Toronto Stock Exchange bulletin summarizing market action on the exchange during the month. Transactions dropped to 13,220,849 in the 21½ days of trading during May, as compared with 22,426,448 in April. Dollar value of stocks traded was correspondingly lower at $42,362,761.

Strikes and conjectures over the future price of gold apparently continued to be the main deterrents to constructive action in early May, says the bulletin, but the price trend showed improvement after the view was expressed that an international conference might be held in future to discuss redistribution of gold among trading nations.

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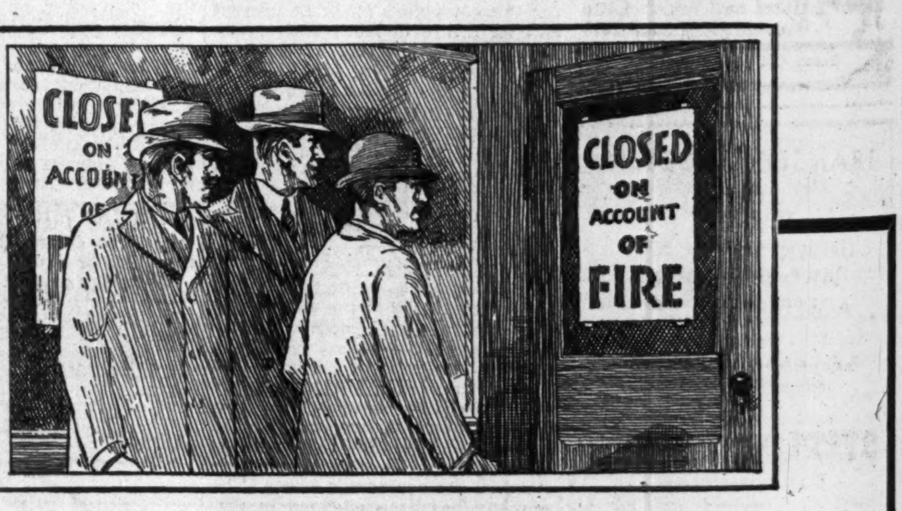
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.
FIRE WINDSTORM AUTO CASUALTY

SEASONABLE RISKS
FOUNDED 1880
THIS is the season of new diversions. Golf is possible once more . . . clear highways invite you to make greater use of your car . . . soon, you may be opening your summer home or camp.
Are you protected against the hazards involved in all these things? Check over your insurance policies tonight . . . if any loopholes exist, call your insurance agent tomorrow.
THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED
MONTREAL TORONTO
WINNIPEG - CALGARY - VANCOUVER
FIRE AUTOMOBILE CASUALTY



CLOSED ON ACCOUNT
CLOSED ON ACCOUNT OF FIRE

Buyers can't buy through Closed Doors
PEARL Loss of Profits Insurance protects prospective earnings
With returning prosperity and returning profits, business interruptions by fire, windstorm or other causes can mean a serious crimp in earnings. Loss of Profits Insurance (Use and Occupancy) should be as necessary a part of the coverage on a manufacturing plant or a retail business as the protection of the property itself by fire insurance.
Instruct your agent to insure you in the PEARL. Your inquiry will be welcomed.
PEARL
ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND
Head Office for Canada: VICTORY BLDG., TORONTO
LAWSON T. HARGREAVES, Mgr. for Canada W. C. BUTLER, Supt. Casualty Dept.
THE EUREKA-SECURITY FIRE AND MARINE INSURANCE COMPANY
INCORPORATED 1864—SAME YEAR AS PEARL . . . POLICIES GUARANTEED BY THE PEARL

JUNE NUPTIALS

For the groom who wishes to be meticulously attired for his formal day wedding, the morning ensemble with white or pearl grey waistcoat, is the accepted style.

At LEVY BROS. the creation of formal day dress is an art attained only by long experience, superlatively fine tailoring and the use of the highest quality fabrics. We know you will appreciate what this means to you.

Levy Bros.

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CHAMPION MORTGAGE
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CALGARY VICTORIA
SASKATOON REGINA

We Manufacture
Envelopes
for every purpose
Barber-Ellis
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TORONTO - BRANTFORD
BRANCHES FROM COAST TO COAST

Your First Visit is a Revelation

Our ocean air brings you refreshing welcome. You find The Cavalier luxurious yet homelike and hospitable—your comfortable room is home itself, every meal a new joy, the service friendly and unobtrusive, you enjoy your dip in the indoor pool, you dance to a fine orchestra, you are keen for golf, tennis, riding—all at moderate rates. Selected clientele.

The Cavalier
Hotel and Beach Club
Virginia Beach
Roland Eaton, Managing Director
Beach Club NOW OPEN

TRANSFER AGENTS
TRUSTEES
UNDER SYNDICATE AND POOLING AGREEMENTS, ETC.

Reasonable rates for efficient and courteous service

THE
STERLING TRUSTS
CORPORATION
STERLING TOWER TORONTO

TRADE WITH GREAT BRITAIN

The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.

Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Deposits £66,800,985
Associated Bank:
Williams Deacon's Bank Ltd.

Bank of Canada Weekly Statement

Balance Sheet

	May 26 1937	May 19 1937
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	130,629,518	130,872,701
Rest fund	743,716	743,716
Dep.: Dominion	22,199,002	22,136,759
Banks	191,451,857	191,044,807
Other	1,106,966	925,505
Total deposits	214,757,825	214,097,071
All other liabs.	2,229,509	1,911,857
Total liabs.	358,460,568	357,725,345
Assets		
Reserve: Gold	187,307,501	187,775,483
Silver bullion	2,434,860	2,434,339
Res. in sterling and U. S.	14,972,585	14,566,566
Total reserve	204,714,986	204,776,388
Subsidiary coin	176,408	213,274
Investments:		
Dom. govt. short	47,135,458	47,075,844
Other Dom. govt.	100,981,142	101,388,611
Total invest.	148,116,600	148,464,455
Premises	459,316	459,266
All other assets	4,993,277	3,811,961
Total assets	358,460,568	357,725,345
Reserve ratio	59.27%	59.36%

April Debits Advance 22%

Prairies Only Area to Fall Behind Last Year

The dollar volume of business in Canada during April, as indicated by bank debits to individual accounts, was almost 22% above a year ago.

The month marked a continuance of the trend in the first quarter of the year, each of the economic areas, with the exception of the Prairie Provinces, showing improvement. The total for the prairies is influenced largely by a less active trade in grain, with Winnipeg recording substantial decline.

April debits totalled $3,376.2 millions, compared with $2,773.8 millions in the same month a year ago, and with $3,189.8 millions in March. As against last year Ontario registered the greatest advance. Paced by a 48% increase in Toronto, the provincial total jumped more than 38%. Much of the increase is attributed to a greater volume of security transactions. Dollar volume of sales on the Toronto Stock Exchange, for instance, was $86.2 millions this April; in April, 1936, it was only $38.8 millions.

Debits to Individual Accounts

	April, 1937	April, 1936
Maritime Provinces	$	$
Halifax	37,105,619	24,197,755
Moncton	9,061,371	8,125,136
Saint John	18,301,520	15,485,206
Total: Maritime Provinces	64,468,510	47,808,097
Quebec		
Montreal	1,021,664,524	878,810,581
Quebec	69,360,974	42,883,378
Sherbrooke	7,974,302	5,322,305
Total: Quebec	1,098,999,800	927,016,264
Ontario		
Brantford	10,375,972	7,960,889
Chatham	8,574,269	7,409,847
Fort William	4,672,982	3,684,448
Hamilton	61,475,127	48,394,337
Kingston	5,712,923	4,770,024
Kitchener	12,382,578	10,575,659
London	35,893,491	31,699,297
Ottawa	115,942,278	123,655,391
Peterborough	6,456,653	5,150,956
Sarnia	6,358,213	5,918,510
Sudbury	7,143,744	5,462,757
Toronto	1,240,265,900	843,273,143
Windsor	42,783,242	35,655,353
Total: Ontario	1,567,037,372	1,133,610,611
Prairie Provinces		
Brandon	2,376,824	2,093,605
Calgary	57,599,583	47,702,264
Edmonton	36,821,989	33,767,781
Lethbridge	4,086,304	3,671,591
Medicine Hat	1,992,379	2,495,303
Moose Jaw	5,481,667	4,150,875
Prince Albert	2,296,723	2,002,147
Regina	44,593,964	29,714,295
Saskatoon	10,466,881	8,822,207
Winnipeg	298,764,470	362,956,917
Total: Prairie Provinces	464,482,784	497,378,986
British Columbia		
N. Westminster	6,261,711	5,611,383
Vancouver	147,002,876	140,684,502
Victoria	27,947,487	21,646,438
Total: British Columbia	181,212,074	167,942,323
Total for Canada	3,376,200,540	2,773,756,280

Weekly Bank Clearings

	May 27 1937	Change Year Ago	May 20 1937
	$	%	$
Halifax	2,109,385	+11.9	2,795,140
Saint John	1,579,103	+24.2	1,108,240
Moncton	673,000	+16.6	865,936
Sherbrooke	655,990	+15.1	795,777
Quebec	3,779,436	+ 8.5	5,771,949
Montreal	95,871,963	+19.4	114,807,365
Ottawa	14,277,738	+ 8.8	21,848,860
Kingston	439,872	+ 3.3	562,884
Peterborough	547,983	+12.0	697,648
Toronto	91,129,947	— 7.6	129,304,996
Hamilton	4,438,377	+15.7	5,768,936
Kitchener	965,541	+26.7	1,311,585
Brantford	828,957	+13.8	1,020,884
London	2,138,042	— 4.0	3,182,871
Chatham	463,527	+22.4	681,999
Windsor	2,729,131	+ 6.9	3,476,222
Sarnia	398,173	+ 2.4	556,316
Sudbury	1,084,315	+13.7	904,767
Fort William	674,010	—24.7	849,613
Winnipeg	40,743,394	—12.8	51,611,288
Brandon	222,549	— 3.2	353,795
Regina	3,322,324	+23.3	4,529,101
Moose Jaw	572,504	+37.3	743,424
Prince Albert	282,690	+ 0.7	368,600
Edmonton	3,396,520	+ 27.0	4,454,208
Medicine Hat	167,680	— 6.9	264,081
Lethbridge	379,367	+ 1.3	483,705
N. W'minster	689,005	+17.1	700,806
Vancouver	16,274,676	+ 6.3	19,970,373
Victoria	1,438,199	+ 9.3	1,775,650
Calgary	4,816,460	— 7.4	5,878,429
Saskatoon	1,173,474	— 3.1	1,630,437

Banking

Banks' Current Loans Reflect Active Trade

Total of Loans in April is Above Previous Year — Demand Deposits and Investment Holdings Increase

From a banker's angle, April was the most encouraging month in years.

The chief reason was the substantial increase in commercial loans. Current loans are shown in the composite statement of the ten chartered banks for April at $710.4 millions, an increase of $16.2 millions from the previous month, although still $15 millions under a year ago. This gain marks the fourth successive increase.

The increase in commercial loans was not seasonal in character. In April, 1936, loans actually declined $7 millions and, in the two previous years, increases were relatively small.

For the first time in many months the total volume of loans, current, call, government and municipal, was above that of the corresponding month in the previous year. Call loans, largely for security transactions, dipped $2.7 millions and those to provincial government $2.4 millions during the month. Municipal loans, on the other hand, advanced $6.9 millions. It is believed this increase arises from borrowing in anticipation of tax receipts.

Demand Deposits Rise

Partly reflecting the higher loan total, demand deposits jumped $21.1 millions. Savings deposits were very slightly lower. As a result, The Financial Post credit index, based on the ratio of current and call loans in Canada to Canadian public deposits, advanced only fractionally during the month to 35.9%.

Due largely to a $10.8 millions increase in public securities other than Canadian, investments of the banks rose $12.5 millions in April. Holdings of Canadian governments advanced slightly, an increase of $7.3 millions in long-term issues more than offsetting a decline of $5.2 millions in shorter maturities.

Major factors affecting the credit situation compare as follows:

Use of Bank Credit in Canada
(In Millions of Dollars)

	April 30 1937	March 31 1937	Change	April 30 1936	Change
Loans	956.4	938.3	+18.1	944.7	+11.7
Investments	1,439.7	1,427.2	+12.5	1,314.2	+125.5
Total	2,396.1	2,365.5	+30.6	2,258.9	+137.2
Deposits	2,315.3	2,294.6	+20.7	2,101.1	+214.2

Cash position of the banks strengthened during the month. This is largely due to an increase of $5.2 millions in deposits with the Bank of Canada, the instrument which the central bank may control to regulate the banks' credit policy. Note circulation dropped a further $1.6 million to just under $111 millions.

Comparative figures, as shown in the monthly report of the banks to the minister of finance, follow:

	April, 1937	March, 1937	Change	April, 1936	Change
ASSETS					
Immediately Available Liquid Assets	$	$	$	$	$
Canadian coin	5,328,219	5,579,497	—251,278	5,907,041	—578,822
Bk. of Can. notes	40,709,745	42,174,427	—1,464,682	34,795,698	+5,914,047
Bank of Can. depos.	199,473,003	194,275,502	+5,197,501	187,446,603	+12,026,400
Bank's cash	245,510,967	242,029,426	+3,481,541	228,149,342	+17,361,625
Other bank notes	4,765,510	7,435,410	—2,669,900	5,605,578	—840,068
Gold & sub. coin ab'd.	4,131,316	4,410,664	—279,348	11,188,523	—7,057,207
Foreign banks	117,415,819	129,409,954	—11,994,135	117,150,057	+265,762
Foreign curr.	18,817,123	21,195,477	—2,378,354	22,165,738	—3,348,615
Gov. sec. short term	476,743,029	481,933,979	—5,190,950	485,535,645	—8,792,616
Do., long term	660,334,120	652,990,493	+7,343,627	591,899,817	+68,434,303
Call loans abroad	72,185,455	76,188,582	—4,003,127	66,000,291	+6,185,164
	1,599,903,339	1,615,593,985	—15,690,646	1,527,694,991	+72,208,348
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	119,600,183	119,814,375	—214,192	114,056,087	+5,544,096
Public secs.▲	59,280,268	48,482,196	+10,798,072	49,224,813	+10,055,455
Other secs.	123,723,979	123,957,816	—233,837	73,512,097	+50,211,882
Can. call loans	121,368,028	124,113,291	—2,745,263	83,435,789	+37,932,239
Current loans	710,442,224	694,215,664	+16,226,560	725,484,153	—15,041,929
Loans abroad	167,953,505	172,317,216	—4,363,711	142,072,852	+25,880,653
Prov. loans	16,155,787	18,532,491	—2,376,704	24,357,614	—8,201,827
Mun. loans	108,408,025	101,468,437	+6,939,588	111,720,073	—3,312,048
	1,426,931,999	1,402,901,486	+24,030,513	1,323,863,478	+103,068,521
Other Assets					
Non-curr. loans	12,200,212	11,911,336	+228,876	13,732,068	—1,531,856
Real estate	8,638,592	8,782,417	—143,825	8,680,968	—42,376
Mortgages	4,214,990	4,175,969	+39,021	5,357,189	—1,142,199
Premises	74,813,583	74,785,260	+28,323	75,600,673	—787,090
Letters of credit	73,628,246	74,260,253	—632,007	61,904,737	+11,723,509
Loans to comp.	11,297,847	11,228,608	+69,239	10,532,199	+765,648
Other assets	1,981,635	1,814,676	+166,959	2,118,801	—137,166
	186,775,105	186,958,519	—183,414	177,926,635	+8,848,470
Total	3,213,610,443	3,205,453,990	+8,156,453	3,029,485,104	+184,125,339
Note circ. dep.	7,056,828	7,053,705	+3,123	6,889,857	+166,971
Int. bank bal.	126,474,317	124,319,974	+2,154,343	117,213,555	+9,260,762
Gross	3,347,141,588	3,336,827,669	+10,313,919	3,153,588,516	+193,553,072
LIABILITIES					
To the Public					
Circulation	110,953,496	112,600,768	—1,647,272	120,015,322	—9,061,826
Dom. Govt.	22,333,856	26,518,525	—4,184,669	28,042,104	—5,708,248
Prov. Govt.	45,037,506	48,412,004	—3,354,498	42,562,774	+2,494,832
Deposits by Public					
Demand dep.	731,961,610	710,848,542	+21,113,068	621,827,383	+110,134,227
Savings dep.	1,583,327,255	1,583,780,912	—453,657	1,536,100,556	+47,226,699
Total	2,315,288,865	2,294,629,454	+20,659,411	2,157,927,939	+157,360,926
Foreign dep.	417,713,786	423,488,691	—5,774,905	391,936,599	+25,777,187
Due to Banks Abroad, Etc.					
United Kingdom	11,853,117	11,406,049	+447,068	8,202,906	+3,650,211
Foreign	36,918,922	33,267,096	+3,651,826	29,929,606	+6,989,316
Bills payable	780,805	719,613	+61,192	692,613	+88,192
Letters of credit	73,628,246	74,260,253	—632,007	61,904,737	+11,723,509
Other liabs.	3,053,828	2,967,696	+86,132	2,668,870	+384,958
Total public liab.	3,037,582,427	3,028,270,149	+9,312,278	2,843,883,470	+193,698,957
Due bet. banks	16,059,861	15,639,236	+420,625	17,922,452	—1,862,591
Liability to Shareholders					
Dividends	2,544,914	814,145	+1,730,769	2,542,619	+2,295
Reserve	133,750,000	133,750,000	....	132,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,335,437,202	3,323,973,530	+11,463,672	3,142,598,541	+192,838,661
Credit index*	35.9%	35.7%	+0.2%	37.4%	—1.5%

▲Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

Staff Changes

The Royal Bank has announced the following changes in staff:

D. T. YOUNGSON, formerly at head office, to be assistant manager at Ottawa.

P. GODINEZ, formerly accountant at Havana, to be manager at Moron, Cuba.

J. B. P. ROBERTSON, formerly at head office, to be manager at St. Lawrence & Craig, Montreal.

A. G. BROOKS, formerly assistant manager at Ottawa, to be assistant manager at Toronto.

A. F. FAIRMAN, formerly manager at Elrose, to be manager at Melfort, Sask.

H. A. STACE, formerly assistant accountant at Vancouver, to be acting manager at Dunbar & 17th Ave., Vancouver.

C. E. W. WARD, formerly manager at Moron, to be manager at Ciego de Avila, Cuba.

W. G. CRICHTON, of Melfort, Sask. branch, has retired on pension.

The Bank of Nova Scotia has appointed H. W. SAINTHILL manager of its Hintonburgh, Ottawa, branch.

THE
LONDON & WESTERN TRUSTS
COMPANY LIMITED
ESTABLISHED 1896
LONDON - TORONTO - WINDSOR - WINNIPEG - VANCOUVER

Bank Chat

Public Relations

The American Bankers' Association is going in for publicity in a big way. Holding that there is no more important element in sound bank management than the ability to deal properly with public relations, President T. K. Smith last week announced a service which, it is hoped, will be complementary to the more widely used publicity and advertising.

A series of bulletins will be distributed among members of the association on a subscription basis. They will deal with the present state of public opinion regarding banking, the general attitude of the public toward banking, successful methods used to improve public relations, plans for surveying local opinion and so on. Just how and by whom public opinion is to be gauged is not stated.

• • •

Steel Blinds

A brand new use has been found for Venetian blinds. Customarily used to protect living room rugs and other furnishings from the rays of the sun and perhaps even to protect householders from the unwelcome scrutiny of passers-by, they have now been introduced into banking offices to protect the staff from would-be bandits.

The brain child of a Quebec inventor, the device has been installed in La Caisse d'Economie office at St. Peter St., and Mountain Hill, Quebec City. Unlike the more familiar Venetians, these are made of cold-rolled steel. A touch of the teller's foot and he is immediately curtained in a bullet-proof enclosure, his cash free from harm.

The "Caisse" blinds enclose an area of 93 square feet. Weight is half a ton.

• • •

Dudley Dawson

The death last week of Dudley Dawson, general manager of the Dominion Bank leaves a gap which will be most difficult to fill. Sincere and "human" he was the antithesis of what some term a "cold-blooded" banker.

Popular with his staff, Mr. Dawson knew their problems from first hand knowledge. He himself rose from the ranks, advancing from the obscure post of junior clerk in a village branch to the general managership. His entire business career was spent with the Dominion, which he joined in 1896 as a lad of 16.

Apart from his association with the bank, he was connected with a number of educational and philanthropic enterprises, giving freely of his time. His hobby was golf; and in this as well as in practical banking he excelled. Four times amateur champion of Manitoba, Mr. Dawson held club championships galore.

As yet, his successor has not been named, and officials of the bank state that no announcement is expected "for a short while."

Canadian Income Laws Benefit U. S. Investors

Incorporation of Canadian holding companies by wealthy U. S. residents will be investigated under the probe to be made by the U. S. Congress into income tax evasion practices in that country.

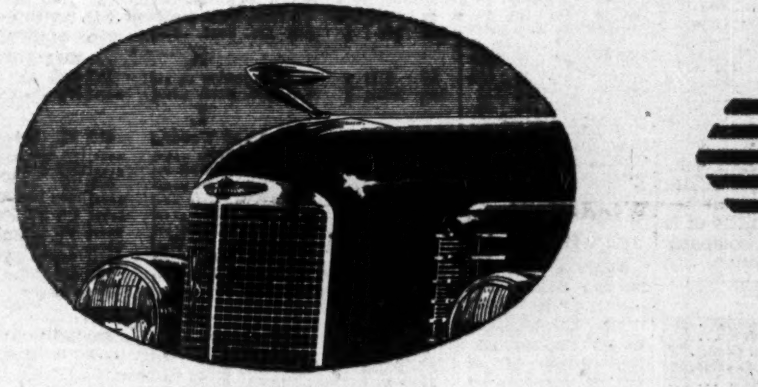
Canadian income taxes are generally higher than in the U. S., with the result that no advantage exists for U. S. residents in merely moving to Canada. Instead, they form Canadian holding companies, the income of which is exempt from Canadian income tax providing that the business and assets of the company are carried on and situated entirely outside Canada.

In the case of securities such a company could not hold Canadian stocks and bonds, without taxation, but it could hold foreign securities to any amount and escape income tax levies. No data is available as to the number of such companies at present organized in Canada.

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which the Western Australian Bank & The Australian Bank of Commerce Ltd. are amalgamated)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1936 . . . . £115,150,000
A. C. DAVIDSON, General Manager.
780 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
HEAD OFFICE: GEORGE STREET, SYDNEY.
London Offices:
29, THREADNEEDLE STREET, E.C. 2; 47, BERKELEY SQUARE, W. 1.
Agency arrangements with Banks throughout Canada.

CANADA'S FAVOURITE
Pandora
REGISTERED
CIGARS
PANETELA 10c.

LOOK AT LaSALLE!



THE GREATEST SALES IN HISTORY

The new La Salle V-8 is selling at the fastest rate in La Salle history. And small wonder—for here, surely, is the greatest value the fine-car field has ever seen.

Prices begin at only $1475 for a car designed and built entirely by Cadillac—and powered by a 125-horsepower V-8 Cadillac engine!

And, remember, that is the list price at Windsor, Ontario, and includes all standard accessories. Only special equipment is extra.

The new La Salle V-8 is economical, too. It is unusually sparing of gasoline and oil, while service costs are surprisingly low.

In fact, many say their new La Salles cost less to drive than cars of even lower price.

Before you buy a car at *any* price, we urge you to look at La Salle. The chances are your present car will make the down payment.

V-8 CADILLAC-BUILT $1475 AND UP

CAD-87

Position of Chartered Banks of Canada as of April 30th, 1937, Shown by Monthly Returns to Minister of Finance

LIABILITIES / SUPPLEMENTARY INFORMATION

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can.	Greatest amount of Notes in Cir.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$
Montreal	24,568,737	18,711,822	5,846,923	....	200,955,814	431,849,391	61,587,423	3,104,370	3,933,710	6,178,298	8,954	10,627,097	2,199,906	729,388	39,000,000	36,000,000	845,301,841	50,000,000	36,000,000	8	685,269	81,480,755	25,185,558
Nova Scotia	10,166,487	397,531	1,194,429	....	42,778,937	148,475,808	50,700,425	3,771,655	160,947	1,627,394	10,116	6,890,957	273,041	9,903	24,000,000	12,000,000	302,457,635	15,000,000	12,000,000	12	3,572,785	17,951,000	10,636,220
Toronto	4,393,095	255,367	1,489,661	....	37,484,535	77,098,710	713,186	1,346,800	545,476	1,612,922	468,825	2,639,925	....	151,158	9,000,000	6,000,000	143,199,664	10,000,000	6,000,000	10	682,303	11,426,657	4,393,095
Provinciale	3,376,457	75,958	1,869,028	....	6,603,472	38,059,990	204,366	2,069	....	89,673	....	86,237	5,986	4,548	1,000,000	4,000,000	55,377,789	5,000,000	4,000,000	6	159,603	3,656,408	3,416,857
Commerce	22,417,341	448,338	15,037,087	....	154,798,199	308,569,550	63,690,390	1,513,494	1,229,447	10,890,622	54,977	23,749,923	....	610,061	20,000,000	30,000,000	653,009,436	50,000,000	30,000,000	8	3,222,725	47,117,658	23,290,807
Royal	29,121,191	355,545	12,419,290	....	188,837,964	314,548,861	232,103,641	736,889	1,688,581	11,823,298	237,933	23,539,073	81,513	717,370	20,000,000	35,000,000	871,211,154	50,000,000	35,000,000	8	1,925,921	44,992,333	31,369,421
Dominion	5,632,946	419,079	736,571	....	36,493,587	73,724,626	3,957,534	2,283,960	419,038	1,292,787	....	4,028,735	305,648	3,273	7,000,000	7,000,000	143,297,789	10,000,000	7,000,000	10	1,210,943	7,860,308	6,100,534
Nationale	5,086,604	480,144	394,421	....	25,408,506	97,288,171	1,036,984	1,671,076	23,809	599,010	....	463,146	187,679	143,316	5,000,000	7,000,000	144,782,872	10,000,000	7,000,000	8	190,767	10,202,716	5,086,604
Imperial	5,866,023	1,152,183	6,070,061	....	36,522,507	89,400,576	254,050	1,362,033	753,400	1,360,233	....	1,421,258	....	175,897	8,000,000	7,000,000	159,338,226	10,000,000	7,000,000	10	608,829	10,379,409	5,982,613
Barclay's (Canada)	324,615	37,889	35	....	2,078,089	4,311,572	3,465,787	267,515	3,098,709	1,444,685	....	181,895	....	....	750,000	1,500,000	17,460,796	1,500,000	1,500,000	....	4,000	594,207	324,615
Total	110,953,496	22,333,856	45,057,506	....	731,961,610	1,583,327,255	417,713,786	16,059,861	11,853,117	36,918,922	780,805	73,628,246	3,053,773	2,544,914	133,750,000	145,500,000	3,335,437,202	211,500,000	145,500,000	....	11,263,145	235,661,446	115,786,324

▲ Of this amount $46,466,139 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF NAME	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Note of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canada	Cheques on other banks	Balances due from other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can	Other bonds and stocks	Call loans in Canada	Call loans elsewhere	Current loans Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-Current loans	Real estate other than Bank premises	Mortgag on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,047,083	153,117	12,631,539	64,125,986	1,212,010	479,793	29,186,204	....	2,630,242	17,958,758	174,393,177	199,045,024	39,415,401	12,925,530	34,378,569	10,777,299	28,462,343	137,366,540	12,865,616	1,745,497	33,436,541	2,855,032	654,033	567,723	14,000,000	1,737,019	2,066,009	846,743,193
Nova Scotia	337,970	1,354,049	2,915,002	15,541,403	368,605	1,126,663	10,253,179	....	406,604	13,527,485	26,502,561	61,426,451	13,049,824	822,533	13,766,326	13,240,528	3,135,713	80,697,692	17,206,198	394,838	7,788,357	731,047	....	104,579	6,679,102	583,299	2,740,035	303,595,987
Toronto	219,134	....	1,859,243	12,311,156	240,375	67,277	7,734,492	....	1,382,244	2,456,781	8,818,687	41,480,175	7,509,343	1,035,525	3,528,814	6,580,010	....	36,441,256	....	....	5,949,303	135,830	....	45,822	3,509,321	349,424	....	144,294,148
Provinciale	191,563	....	767,973	4,223,151	192,780	51,757	2,284,210	759,419	8,854	66,170	5,339,452	9,275,153	10,027,411	....	2,780,107	4,212,569	....	10,978,961	....	64,201	863,026	86,919	673,509	348,502	2,102,929	183,675	84,405	55,653,044
Commerce†	880,731	178,731	5,717,427	42,538,125	784,435	955,761	22,203,024	....	1,284,494	18,154,060	85,182,694	128,643,532	10,040,980	25,384,744	18,678,292	26,610,647	18,817,893	142,203,196	24,609,197	7,007,058	23,930,486	3,728,349	2,696,767	1,597,515	14,886,241	1,325,000	3,938,399	655,727,704
Royal‡	1,478,719	2,443,490	7,115,456	42,795,634	1,075,205	13,843,824	29,845,506	3,442	12,642,762	37,175,390	141,055,840	120,172,412	12,081,969	18,885,299	37,005,406	28,240,717	16,663,366	172,143,706	112,649,387	1,225,756	13,370,360	3,005,936	2,763,360	756,983	15,555,868	1,625,000	3,921,690	873,684,569
Dominion	271,306	627	2,449,779	5,000,016	297,800	117,856	6,643,186	....	514,623	982,907	10,935,252	35,713,316	5,514,030	....	3,483,783	11,894,608	4,989,869	41,961,523	588,711	....	1,992,498	344,667	109,210	41,724	5,746,652	347,650	216,624	144,186,963
Nationale§	518,315	1,302	2,636,709	5,543,102	329,540	80,179	5,292,300	999,474	22,289	1,415,046	10,260,690	21,257,924	17,393,671	226,637	9,999,875	9,920,282	113,271	37,921,462	34,396	18,145	12,473,137	329,177	1,518,811	388,104	5,882,416	391,921	245,312	145,676,642
Imperial	381,178	....	4,589,870	6,873,523	259,265	84,307	7,394,524	615,462	594,580	2,016,101	12,742,413	38,872,061	4,550,455	....	102,807	8,977,306	....	48,863,197	....	5,700,292	8,604,317	372,600	222,902	364,038	6,001,054	491,674	66,898	160,112,094
Barclay's (Can.)	2,120	....	76,753	520,906	5,495	9,706	1,493,254	1,766,641	3,086,442	1,089,987	1,512,263	4,448,072	17,099	....	....	914,062	....	1,864,691	....	....	....	10,655	....	....	450,000	17,196	....	17,467,244
Total	5,328,219	4,131,316	40,709,745	199,473,003	4,765,510	18,817,123	122,329,879	4,144,438	22,573,134	94,842,685	476,743,029	660,334,120	119,600,183	59,280,268	123,723,979	121,368,028	72,185,455	710,442,224	167,953,505	16,155,787	108,408,025	12,200,212	8,638,592	4,214,990	74,813,583	7,056,828	13,279,364	3,347,141,588

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $73,628,246 letters of credit outstanding as shown in liabilities.

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 31

Range 1937 High	Low	Div R'te $	May29 Y'ld %		Sales	Last May 24	Week end. May 31 H	L	Cl'se
				A					
15¼	5⅞	.	...	Abitibi	15554	7	7⅞	6¼	6¼
80	41¼	.	...	Do. pref. 6%	5810	63½	66	61½	62
97	60	.	...	Do. pref. 7%	....	(— bid 90 asked)			
79½	41	.	...	Do. cert. dep.	125	60	65	61	65
6⅞	4⅞	10c	...	Acadia Sugar	....	(4½ bid 4¾ asked)			
18½	9½	50c	5.3	Acme Glove	....	(9½ bid 12½ asked)			
94	75	6.50	8.7	Do. pref.	....	(— bid 85 asked)			
12	8½	40c	4.1	Agnew Surp.	120	60	9⅞	9⅞	9⅞
110	105	7	6.7	Do. pref.	....	(107 bid — asked)			
7	4½	.	...	Alta. Pac. Gr.	116	5	5	4⅞	4⅞
43½	27½	.	...	Do. pref.	135	31½	29	27½	29
135	114	.	...	Aluminum	150	115½	115	114	114
130	130	6+3.75▲	.	Do. pref.	....	(130 Mar. 19)			
7	5	.	...	Amal. Electric	....	(— bid 5 asked)			
				Do. pref.	....	(— bid 26 asked)			

Range 1937 High	Low	Div R'te $	May29 Y'ld %		Sales	Last May 24	Week end. May 31 H	L	Cl'se
				East. Theat. pf.	....	(60 bid 84 asked)			
60	60	7	11.7	Easy Washing	....	(5¼ bid 6 asked)			
9½	4⅞		...	Economic Inv.	50	39	37½	37½	37½
39	34	1.37½	...	Electrolux	950	19	18⅞	18	18¼
24	17½	1.60+10c.		Enam. & Heat.	90	5	5	5	5
8½	4½	.	...	English Electric	140	33	32	30	31
37	30	.	...	Do. (B)	50	10¼	11	11	11
16⅞	10½	.	...	Equitable Life	....	(5⅞ bid 6 asked)			
7	5½	.	...	European El. A.	....	(— bid 9¼ asked)			
10¼	9½	.	...	Do. Warrants	....	(.35 bid — asked)			
.65	.65	.	...						
				F					
				Fairchild Air	450	9	9¼	8⅞	8⅞
13	8¼	.	...	Fam. Players	....	(22 bid — asked)			
35	34	.	...	Do. Vot. Tr.	....	(— bid 35 asked)			
34	29	.	...	Fanny Farmer	1070	20¼	20¼	20	20
24½	19	25c	...	Ford Motors A.	1727	23¼	23⅞	22⅞	23
29⅞	22½	1	4.2	For. Pr. Secs.	188	1¼	1¼	1	1¼
2¼	1	.	...	Foundation Co.	270	26	26½	25¼	25⅞
31	23	.	...	Fraser Cos.	1239	43	47	42	42
50	29	.	...	Do. Vot. Tr.	16472	44	45⅞	42½	42½
50	29½	.	...	Freiman, pf.	....	(— bid 48 asked)			
52	45	.	...	Frost Steel	52	6	6¼	6	6¼
11	6	.	...	Do. pref.	100	104½	104	101	101
107	100½	7	6.9	Do. pref. A.	....	(45½ bid — asked)			
48	40	.	...						

Range 1937 High	Low	Div R'te $	May29 Y'ld %		Sales	Last May 24	Week end. May 31 H	L	Cl'se
				Z					
7¼	3⅞	.	...	Zimmerknit, c.	70	5	5	3⅞	3⅞
98	92	7	...	Do. pref.	....	(96 bid 100 asked)			

† 1936.
▲ On account of arrears.
b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Plus capital distribution of $1 paid Feb. 1, 1937.

Mining Stock Quotations

WEEK ENDING MAY 31, 1937

OIL COMPANIES

VANCOUVER STOCK EXCHANGE

OIL STOCKS

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

June 1, 1937

Public Utility Issues:	Int. Rate %	Due	Bid June 1	Asked	Bid May 25
†Assoc. Tel. & T.	5½	'55	83½	86½	83½
Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5½	'73	55	58	55½
‡Bell Telephone.	5	'55	113½	116½	114½
‡Do	5	'57	118½	121½	118
B. C. Power	4½	'60	95	98	95
B. C. Tele.	4½	'61	104	107	103½
‡Calgary Power	5	'60	96	99	95½
‡Do.	5	'64	95	98	102½
†Can. Nor. Pwr.	5	'53	102⅞	105½	102½
‡Dom. Gas & El.	6½	'45	90½	93½	91½
‡Gatineau Power	5	'56	100½	103½	100½
‡Do., A	6	'41	100½	103½	100½
‡Do., B	6	'41	100½	103½	100½

Industrial and Realty Issues:

†Payable in Can. or U.S. ‡Payable in Can., U.S. or U.K. *Payable in Can. or U.K. †Payable in U.S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 1, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, pfd.	4.90	5.20
Acme Farmers Dairy, pfd.	50.00	55.00
Algoma Steel, com.	16.50	17.50
Do., pfd.	82.00	84.00
Andian Nat. Corp.	49.00	50.00
Assoc. Tel. & Tel., pfd.	40.00	44.00
B. C. Pulp & Paper, pfd.	75.00	80.00
Do., com.	17.00	20.00
Brandram-Henderson, com.	4.25	4.50
Do., pfd.	16.50	17.50
Burns & Co., A	12.00	14.00
Do. B	5.25	6.25
Can. Tube & Steel, 1st pfd.	76.00	80.00
Do., com.	9.00	10.00
Can. Wire & Cable pfd.	113.00	116.00
Can. Airways	6.50	7.50
Can. Industries A com.	235.00	....
Do., pfd.	158.00	160.00
Can. Ingersoll-Rand	128.00	135.00
Can. Western Lumber, com.	1.50	1.75
Chase, A. W., pfd. bonus	26.00	28.50
Claude Neon Gen. Adv., pfd.	14.00	15.00
Conduits Nat., com.	5.00	5.50
Crescent Creamery, pfd.	37.00	39.00
Dom. Found. & Steel, new com.	30.00	31.00
Do., pfd.	97.00	99.00
Dom. Woollens, com.	.65	1.00
Do., pfd.	2.75	3.50
Dunlop Tire, pfd.	83.00	86.00
Federal Grain, com.	4.50	4.75
Do., pfd.	44.00	....
Goderich Elevator	7.00	8.00
Greening Wire, pfd.	105.00	108.00
Guelph Carpet, pfd.	106.00	107.00
Do., com.	25.00	26.75
Hayes Steel Prod., com.	12.00	13.00
Do., pfd.	8.00	9.00
Highland Dairy, com.	2.25	...
Lake St. John, com.	70.00	72.00
Lake Sulphite Pulp, com.	23.00	....
Loblaw's Inc. (U.S.) Units	78.00	....
McCormick's, com.	5.00	5.50
Do., pfd.	15.00	....
Morrison Brass, pfd. bonus	13.25	16.50
Mount Royal Hotel, pfd.	3.75	4.25
New Meth. Laund., pfd. bonus	92.00	97.00
Perfection Pete., pfd.	22.00	25.00
Provincial Paper, pfd.	106.75	107.75
Reliance Grain, pfd.	97.00	99.00
Robin. Consol. Cone	10.25	11.00
Ruddy, E. L., pfd.	35.00	39.00
Seal O Sac (Can.)	14.00	15.50
Silverwoods Dairies, pfd.	4.25	....
Standard Fuel, com.	6.00	7.00
Do., pfd.	100.00	102.50
Supertest Petroleum, B	26.00	28.00
Toronto Carpet, com.	51.00	
Do., pfd.	55.00	....
United Steel, A pfd.	19.25	21.00
Western Grain, pfd. bonus	9.50	11.00
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	1.10	1.30
Trusts and Loan Stocks:		
Chartered Trust	96.00	....
Commercial Finance, com.	2.80	2.90
Guelph, Ont. Inv., par $50	50.00	53.00
London & West. Trust	54.00	57.00
Prudential Trust	5.00	6.00
Sterling Trust	41.00	
Traders Fin., "A" com.	22.50	24.00
Do., "B" pfd. bonus	96.00	99.00
Trusts & Guarantee	30.50	32.00
Insurance Stocks:		
Canada Life	533.00	545.00
Canadian Ins. shares	16.00	18.50
Confederation Life, 20% pd.	113.00	117.00
Dominion Fire	134.00	....
Dom. of Can. Gen.	130.00	140.00
Empire Life 25% pd.	12.50	13.00
Federal Fire 25% pd.	41.00	
Great West Life	332.00	350.00
Guar. of N. A., fully pd.	300.00	320.00
Do., 20% pd.	55.00	....
Imperial Life	340.00	355.00
Manufacturers Life	254.00	260.00
Monarch Life, 10% pd.	24.00	....
Sovereign Life, 25% pd.	16.00	17.50
Sun Life	650.00	665.00
Western Assur., com.	51.00	54.00
Do., pfd.	41.00	43.50
Theatre Stocks:		
Allens Kingston, pfd.	63.00	71.00
Do., Parkdale, pfd.	65.00	
Do., St. Catharines, pfd.	63.00	
Do., Tor. pfd. bon. com.	29.00	32.00
Loew's London, pfd.	2.30	2.90
Do., Toronto, pfd.	113.00	118.00
Mansfield Theatre, pfd.	30.00	33.50
Paramount Kitchenr, pfd.	57.00	62.00
Do., Oshawa, pfd.	89.00	96.00
United Amusement, A	21.00	25.00
Do., B	20.00	23.00
Investment Trust Shares:		
Can. Gen. Invest.	10.10	10.50
Can. Investment Fund	4.50	4.85
Can. Investors Corp.	9.50	10.00
Cons. Div. Std. Sec. Units	23.00	24.00
Invest. Found., pfd. bonus	61.00	64.00
Lon. Can. Invest., com.	4.70	5.20
Sec's. Hold. pfd., bonus	22.00	....
United Corpns., "A"	24.00	25.00
Do., "B"	24.50	26.00
Power Issues:		
Can. West. Nat. Gas, pfd.	90.00	92.00
Do., com.	27.00	
Foreign Power Sec's., pfd.	11.25	12.75
Great Lakes Power, pfd.	97.50	100.00
Inter. Util. $1.75 pfd.	16.50	17.50
Montreal Island Pwr., pfd.	20.00	21.00
New Brunswick Tel., com.	13.25	14.25

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.00	111.00	4.27
Hamilton	5	1950	110.50	112.50	3.80
Montreal	5	1945	104.00	106.00	4.09
Ottawa	4½	1945	106.75	108.75	3.25
†Quebec	5	1959	100.00	102.00	4.85
Saint John	5	1950	105.00	107.00	4.31
†Toronto	4½	1955	110.00	112.50	3.55
†Vancouver	5	1950	88.00	93.00	5.78
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Unlisted Mines

June 1, 1937

(UNLISTED MINES, Contd.)

	Bid	Asked
Lake Rowan	.37	.40

Government Bonds

Dominion of Canada Bonds

June 2, 1937		Bid	Ask.	Approx. Yld.
3	15 Nov. '39	101.25	101.75	1.27
2½	15 Oct. '39	102.25	102.75	1.32
4	15 Oct. '39	105.75	106.25	1.32
1½	1 June '40	100.00	100.50	1.33
4½	1 Sept. '40	108.25	108.75	1.72
2	15 Mar. '41	97.75	98.25	1.48
5	15 Nov. '41	111.00	111.50	2.27
3	15 Oct. '42	103.50	104.00	2.20
2½	1 June '43	100.75	101.25	2.28
5	15 Oct. '43	112.00	112.50	2.84
5	15 Oct. '44	110.00	110.50	2.92
▲2½	15 Aug. '45	98.85	99.35	2.58
4	15 Oct. '45	106.25	106.75	▲2.83
4½	1 Feb. '46	109.85	110.35	3.12
3	1 June '49	99.50	100.00	3.25
3¾	15 Oct. '49	102.00	102.50	▲3.12
3¾	15 Oct. '52	106.00	106.50	▲3.26
3	1 June '55	95.85	96.35	3.27
4½	1 Nov. '56	108.50	109.00	▲3.38
4½	1 Nov. '57	108.75	109.25	▲3.44
4½	1 Nov. '58	109.50	110.00	▲3.44
4½	1 Nov. '59	109.75	110.25	▲3.48
▲3¼	15 Jan. '61	99.00	99.50	3.28
3¼	1 June '66	96.65	97.15	3.40
‡3	Perp. bds.	87.15	87.65	3.42

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	101.50	102.50	2.60
3	15 Dec. '50	95.75	96.75	3.30
3	15 Feb. '53	94.75	95.75	3.34
*4½	1 Sept. '51	112.50	113.50	3.32
*4½	1 Feb. '56	113.00	114.00	3.48
*4½	1 July '57	112.00	113.00	3.58
*4½	15 June '55	115.25	116.25	3.52
5	1 Feb. '54	115.75	116.75	3.66
*5	1 July '69	115.75	116.75	▲3.00
*5	1 Oct. '69	117.75	118.75	▲3.51

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	99.50	101.50	3.88
4½	15 Apr. '61	104.50	106.50	4.07
†5	15 Jan. '60	110.00	112.00	4.18
Nova Scotia:				
3	2 Sept. '45	96.50	98.50	3.20
4½	15 May '43	106.00	107.50	3.13
†4½	15 Sept. '52	107.00	108.00	▲3.58
5	1 Mar. '60	114.00	115.00	4.00
Ontario:				
3	1 Dec. '51	95.00	96.50	3.30
*4	1 June '62	106.00	107.50	3.55
4½	1 June '50	110.00	111.00	3.44
*4½	15 Jan. '62	114.00	115.50	3.55
5	15 Oct. '48	113.75	114.75	3.43
*5	2 Dec. '60	118.00	119.50	3.75
5½	1 July '46	115.75	116.75	3.33
Ont. Hydro Comm.:				
3½	1 Apr. '47	101.25	102.25	3.23
4	1 Jan. '70	114.50	116.50	3.87
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.27
Quebec:				
4	15 Mar. '52	104.00	105.50	3.52
4¾	1 Aug. '58	108.50	109.50	3.61
4½	2 Jan. '63	110.50	111.00	3.82
Alberta:				
4	15 Dec. '54	59.00	61.00	§
†4	1 Dec. '57	59.00	61.00	§
4½	1 Oct. '51	69.00	71.50	§
†4½	1 Oct. '56	60.50	61.75	§
†5	1 Jan. '48	62.00	64.00	§
5	1 Sept. '55	62.00	64.00	§
5	1 Oct. '59	62.00	64.00	§
†5½	1 Jan. '47	64.00	65.50	§
6	1 Mar. '47	67.00	69.00	§
British Columbia:				
†4	1 Dec. '57	91.25	92.25	4.58
*4½	15 Jan. '51	96.50	98.00	4.70
4½	1 Oct. '53	96.00	97.00	4.76
†5	15 Jan. '48	99.00	100.00	5.00
5	1 Sept. '53	99.00	100.00	5.00
5½	1 Feb. '45	100.00	101.00	5.34
6	15 Feb. '47	102.00	103.00	5.60
Manitoba:				
4	2 Jan. '50	86.00	87.50	5.36
†4	1 Dec. '57	86.00	87.50	4.98
†4½	15 Dec. '56	90.00	91.00	5.28
4½	15 June '54	93.50	95.50	5.40
*5	2 Dec. '59	94.00	96.00	5.31
5½	1 Oct. '55	94.00	96.00	5.85
6	1 Apr. '47	98.00	99.50	6.06
Saskatchewan:				
4	15 Aug. '53	77.00	78.00	6.14
4½	1 Nov. '60	74.50	75.50	5.95
*4½	2 July '45	90.00	91.00	5.90
4½	1 Oct. '51	90.25	91.25	5.37
†4½	15 Mar. '60	81.00	83.00	5.85
5	1 Aug. '58	85.50	86.50	6.14
†5½	15 Nov. '46	89.00	91.00	6.80
5½	1 Oct. '52	88.00	89.50	6.59
6	15 Mar. '52	92.00	93.50	6.70

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ▪Payable N.Y. ‡Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pf.	$1.75	July 2	June 15
Assoc. Breweries	20c	June 30	June 15
Do., pfd.	$1.75	July 1	June 15
Bank of Canada	$1.12	July 1	May 31
Bk. of Nova Scotia	$3	July 2	June 15
Brazilian Tr., pfd.	$1.50	July 2	June 15
Brazilian Tr., ord.	50c	July 10	May 31
Biltmore Hats, pfd.	$1.75	June 15	May 15
Bright, T. G.	7½c	June 15	May 29
Do., pref.	$1.50	June 15	May 29
Bulolo Gold	$1.50	June 10	May 19
B. A. Oil	25c	July 2	June 16
Beatty Bros., 2nd pf.	$3.50	July 2	June 15
Bell Telephone	$2	July 15	June 23
B. C. Power, A	45c	July 15	June 30
Burlington Steel, c.	20c	July 2	June 15
Cariboo Gold	2½c	July 2	June 10
Can. W. Nat. Gas, p.	$1.50	June 1	May 15
Can. Bread, 1st pf.	$1.25	July 2	June 15
Do., pref. (B)	62½c	July 2	June 15
Do., arrears	12½c	July 2	June 15
Can. Nor. Pwr.	30c	July 26	June 30
Do., pref.	$1.75	July 15	June 30
Canadian Oil, pref.	$2	July 1	June 19
Cosmos Imp., pref.	$1.25	July 1	June 30
Celanese of Amer., part. pfd.	$3.50	June 30	June 15
Canada Malting	37½c	June 15	May 31
Can. W. & Cable, pf.	$2	June 18	May 31
Can. Cottons	$1	July 2	June 18
Do., pref.	$1.50	July 2	June 18
Can. Gen. Elec.	$1.50	July 2	June 15
Can. For. Invest.	40c	July 1	May 15
Do., extra	40c	July 1	May 15
Do., pref.	$2	July 1	May 15
Canada Cement, pf.	$1	June 21	May 31
Cons. Div. Std. Sec. pfd.	37½c	June 15	June 1
Can. Perm. Mtge.	$2	July 2	June 15
Can. Canners, 1st p.	25c	July 2	June 15
Do. 2nd pfd.	15c	July 2	June 15
Central Pat. Gold	4c	June 30	June 15
Chartered Trust	$1	July 2	June 15
Coniarum Mines	5c	July 15	July 2
Canada Starch, c.	*$6	June 15	May 31
Dom. Glass	$1.25	July 2	June 15
Do., pref.	$1.75	July 2	June 15
Dom. Textile	$1.25	July 2	June 15
Do., pref.	$1.75	July 15	June 30
Dom. Envelope, pf.	$3.50	June 30	May 20
Dominion Bank	$2.50	July 2	June 19
Dominion Coal, pf.	38c	July 2	June 15
Dome Mines	50c	July 20	June 30
Do., extra	$2	July 20	June 30
Electrolux	40c	June 15	May 14
Do., extra	10c	June 15	May 14
Falconbridge N.	7½c	June 30	June 3
Ford Motor	25c	June 19	May 29
Gachin Gold, pf.	17c	June 30	June 16
Do., com.	*30c	June 30	June 16
Grouped Inc. Shs., A	18c	May 31	
Ham. Un. Theat., p.	$1.25	June 30	May 31
Hudson Bay M.	†75c	June 28	May 28
Hinde & Dauch	25c	July 2	June 15
Hollinger Cons.	5c	June 17	June 3
Do., extra	5c	June 17	June 3
Imperial Tob., ord.	10c	June 30	June 11
Inter. Nickel, com.	50c	June 30	June 1
Inter. Mining, com.	15c	June 21	May 31
Kelvinator, pfd.	$1.75	Aug. 16	Aug. 5
Kerr Lake M.	5c	June 18	June 3
Lake Shore Mines	$1	June 15	June 1
Do., extra	$1	June 15	June 1
Lava Cap M.	5c	June 30	June 10
Louisiana Land	10c	June 15	June 1
Macassa M.	5c	July 2	June 12
Melchers, pref.	30c	June 30	June 15
Do., class A (old)	▲50c	July 2	
McKenzie R. Lake	4c	June 15	June 1
McColl-Fron.	10c	June 15	May 15
Montreal Cottons	$1	June 15	May 31
Do., pref.	$1.75	June 15	May 31
Mtl. Loan & Mtge.	80c	June 15	May 31
Nat. Biscuit, c.	40c	July 15	June 17
Nat. Breweries	50c	July 2	June 15
Do., pref.	44c	July 2	June 15
Ont. Loan & Deb.	$1.25	July 2	June 15
Pioneer Gold	10c	July 2	June 1
Placer Develop.	‡60c	June 10	May 19
Para. Pictures, 1st pf.	$1.50	July 1	June 15
Do., 2nd pfd.	15c	July 1	June 15
Power Corp., pf.	$1.50	July 15	June 30
Do., 2nd pfd.	75c	July 15	June 30
Premier Gold	3c	July 15	June 15
Do., extra	1c	July 15	June 15
Reno Gold	3c	July 2	June 10
R. S. Silk, A	25c	July 2	June 15
Reliance Gr., pf.	$1.62½	June 15	May 31
Remington-Rand	25c	July 1	June 10
Rosedale G. Mines	5c	June 1	May 25
Siscoe Gold	5c	June 15	May 31
Smith, How. Pap. p.	$1.50	July 15	June 30
South. Can. Pwr., p.	$1.50	July 15	June 19
Sher.-Williams, pf.	$1.75	July 2	June 15
Sullivan Cons. M.	2½c	June 15	May 31
Sylvanite Gold	5c	June 30	May 22
Stand. Steel, A pf.	75c	July 1	June 15
Do., arrears	75c	July 1	June 15
Tuckett Tob., pf.	$1.75	July 15	June 30
Vulcan Oils	5c	June 18	June 5
Toronto Elev., pref.	65c	June 7	May 22
Tuckett Tob., pfd.	$1.75	July 15	June 30
Teck-Hughes	10c	July 2	June 10
Trans. Can. Shs., A	0.314	June 1	
Ventures	*12½c	July 5	June 21
Union Gas	15c	June 15	May 22
Walker-G. & W., pf.	25c	June 15	May 21
Do., com.	50c	June 15	May 21
Weston, Geo., c.	20c	July 2	June 19
Wr.-Hargreaves	10c	July 1	June 8
Do., extra	10c	July 1	June 8

‡Interim. *Initial. †On arrears.

▲Capital distribution under recapitalization plan; 50 cents to be paid July 2 and $3 paid early in 1937.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

Position Wanted

YOUNG MAN WITH SUCCESSFUL executive and sales organization experience, now engaged, wishes to change business. Desirous of obtaining agency or partnership in business of high calibre. Write Box 67, Financial Post.

Executive Available

ENERGETIC MANUFACTURING Executive seeks connection with progressive firm. Twenty-five years' experience in the hot and cold working and fabricating of aluminum, copper and steel. Successful record in handling men, factory management and engineering problems. Box 63, The Financial Post, 481 University Ave., Toronto.

EXECUTIVE AVAILABLE

FINANCIAL AND ACCOUNTING Executive with well balanced training is available for responsible position. Have successful background of rich and varied experience together with a thorough understanding and appreciation of the fundamental principles of business. Know how to deal effectively with the many problems relative to Organizing, Administration, Finance, Budgetary Control, Accounting, Cost Work, Investigations, Production and Marketing. Readily adaptable to new circumstances, young, married, and can furnish excellent credentials. Replies confidential. Box 59, Financial Post, Toronto, Ont.

DIVIDEND NOTICES

Canada Bread Company Limited

First Preference Shares

Notice is hereby given that a dividend of $1.25 per share has been declared on the First Preference shares of the Company payable July 2nd, 1937, to shareholders of record at the close of business on June 15th, 1937.

Class "B" Preference Shares

Notice is hereby given that a dividend of .75 cents per share has been declared on the Class B Preference shares of the Company payable July 2nd, 1937, to shareholders of record at the close of business on June 15th, 1937. The foregoing dividend declaration covers regular quarterly dividend of .62½ cents per share together with arrears of .12½ cents per share.

By Order of the Board,
W. S. ANTLIFF,
Secretary-Treasurer.

Toronto, Ontario,
May 26th, 1937.

SISCOE GOLD MINES LIMITED

Notice of Dividend No. 21

NOTICE is hereby given that a Dividend of Five Cents (5c) per share on the issued Capital Stock of Siscoe Gold Mines Limited has been declared payable on June 15, 1937, to shareholders of record at the close of business on the 31st day of May, 1937. The stock transfer books of the Company will be closed from June 1st to June 15th inclusive, for the purpose of the payment of the said dividend.

By order of the Board.
H. E. Green,
Secretary-Treasurer

Montreal, 21st May, 1937.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of two per cent (2%) has been declared payable on the 15th day of July, 1937, to shareholders of record at the close of business on the 23rd of June, 1937.

F. G. WEBBER,
Secretary.

Montreal, May 26, 1937.

Associated Breweries of Canada Limited

Dividend Notice

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 35) of 1¾% upon the outstanding Preferred shares of the Company has been declared payable on the First day of July, 1937, to Shareholders of record at the close of business on the 15th day of June, 1937.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 30) of 20c. per share on the No Par Value Common Shares of the Company, issued and outstanding, has been declared, payable on the 30th day of June, 1937, to Shareholders of record at the close of business on the 15th day of June, 1937.

By Order of the Board.
I. N. Wilson,
Treasurer.

Calgary, Alberta
May 25th, 1937.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 293
EXTRA DIVIDEND NUMBER 36

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 17th day of June, 1937, to shareholders of record at the close of business on the 3rd day of June, 1937.

Dated the 27th day of May, 1937.
I. McIVOR,
Assistant-Treasurer.

A.J. Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

DIVIDEND NOTICES

Imperial Tobacco Company of Canada, Limited

— DIVIDEND —

NOTICE IS HEREBY GIVEN THAT an Interim Dividend (No. 123) of ten cents (10c) per share on the paid-up Ordinary Shares of the Company has been declared payable on Wednesday, the 30th day of June, 1937, to shareholders of record at the close of business on Friday, the 11th day of June, 1937.

By Order of the Board.
F. P. L. LANE,
Secretary.

MONTREAL, P.Q.,
28th May, 1937.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1937, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 2nd day of July, 1937, to shareholders of record of the 19th June, 1937.

By Order of the Board.
DUDLEY DAWSON,
General Manager.

Toronto, 13th May, 1937.

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 48

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending June 30th, 1937, payable July 15th, 1937, to shareholders of record at the close of business, June 30th, 1937.

By order of the Board,
L. C. HASKELL, Secretary.

Montreal, May 28th, 1937.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-seventh Quarterly Dividend of One and Three-quarters per cent (1¾%) being at the rate of Seven per cent. (7%) per annum for the Quarter ending August 31st, 1935, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of June, 1937, and that cheques will be mailed July 2nd, 1937.

Books not closed.
By Order of the Board.
P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que., May 6th, 1937.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 50

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1937, payable July 15th, 1937, to shareholders of record at the close of business on June 30th, 1937.

By order of the Board.
L. C. HASKELL, Secretary.

Montreal May 25th, 1937.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

FRIDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1937.

By order of the Board.
WALTER F. WATKINS,
Secretary.

Toronto, May 19th, 1937.

The Montreal City & District Savings Bank

Dividend Notice

A dividend of three dollars per share, for the current quarter, together with a bonus of one dollar per share of the paid-up Capital Stock of this Bank, has been declared and the same will be payable on and after Friday, the second day of July next, to shareholders of record Tuesday, the fifteenth day of June next, at three o'clock p.m.

By order of the Board,
T. Taggart Smyth,
General Manager.

Montreal, May 25th, 1937.

The Ontario Loan and Debenture Company

200th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of $1.25 per share for the current quarter ending 30th June, 1937, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 2nd July, 1937, to Shareholders of record of the 15th June, 1937.

By Order of the Board.
T. H. MAIN, Manager.

London, Ontario, 25th May, 1937.

Winnipeg Stocks

(Transactions from May 24 to May 29)

	Sales	High for period	Low for period	Close May 29
B'ver Lumber c.	130	4.75	4.50	4.75
Cres. Cream., p.	4	37.00	37.00	37.00
D. Envelope, c.	50	3.12	3.12	3.12
Flin Flon	4,100	.07	.06	.06
Gt. Falls M.	2,100	.09	.09	.09
Gurney Gold	800	.38	.36	.36
Globe Ry'lts	2,100	.19	.18	.19
Gt.-West Life	3	320.00	320.00	320.00
Knee Lake	3,000	.02½	.02	.02
Marvel Oils	3,100	.10	.06	.09
Monarch G. M.	350	1.35	1.35	1.35
Ore Grande	3,000	.04	.03½	.04
Packsack	500	.12	.12	.12
Pine Lake	300	.05½	.05½	.05½
Scotia Gold	200	.02½	.02½	.02½
Sachigo	5	15.00	14.00	14.00
Star Lake	2,000	.02	.02	.02
United Grain	25	10.50	10.00	10.00
Vanson Man.	200	.01½	.01½	.01½
Wylie Dom.	1,000	.31	.26	.26
Wingold	1,900	.06½	.05	.06½
Wings, Ltd.	280	1.20	1.10	1.20

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Dom. Envelope, pref.	93½	95½
Federal Grain, pfd.	42½	..
Home Investment	20	25
Northern Can. Mtge., pf.	3	..
North. Mtge., part pd.	..	2
Northern Trust	..	9½
Traders Bldg.	90	..
Western Brew.	1¼	..
West. Steel, pf.	..	13

*Stocks more active on other exchanges not included.

DIVIDEND NOTICES

MACASSA MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 9

NOTICE IS HEREBY GIVEN that a dividend of Five Cents per share on the issued capital stock of the Company will be paid on July 2nd, 1937, to shareholders of record June 12th, 1937.

The Canadian five per cent. tax will be deducted from dividends payable to non-residents of Canada.

By order of the Board.
L. SOLIAGUE,
Secretary.

Toronto, May 28th, 1937.

CENTRAL PATRICIA GOLD MINES LIMITED

(No Personal Liability)

Notice Interim Dividend No. 4

NOTICE IS HEREBY GIVEN that an interim dividend of 4 cents a share on the issued capital stock of the company has been declared. Payable on the thirtieth day of June, 1937, to the shareholders of record at the close of business on the fifteenth day of June, 1937.

By order of the Board.
ALAN COCKERAM,
Sec.-Treas.

Dated at Toronto,
June 1st, 1937.

Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending June 30th, 1937, payable July 2nd, 1937, to shareholders of record at the close of business June 15th, 1937.

By Order of the Board.
E. W. McNEILL,
Secretary.

Dated at Toronto,
May 21st, 1937.

SUN LIFE ASSURANCE COMPANY OF CANADA
Head Office: Montreal

STOCK TRANSFER DEPARTMENT

Notice is hereby given that the Stock Transfer books of the Company will be closed from the 16th to the 30th of June, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of July, 1937, to shareholders of record at the close of business on June 15th, 1937.

By Order of the Board,
H. W. K. HALE,
Secretary.

NOTICE OF ANNUAL MEETING

Sylvanite Gold Mines, Limited

(No Personal Liability)

THIS NOTICE IS DIRECTED TO THE HOLDERS OF SHARE WARRANTS:

TAKE NOTICE that the Annual General Meeting of the Shareholders of SYLVANITE GOLD MINES, LIMITED (No Personal Liability), will be held at the Office of the Company on its Mine Property at Kirkland Lake, Ontario, on Thursday, the 24th day of June, 1937, at two o'clock in the afternoon (Eastern Standard Time) to receive reports, elect Directors and Auditors and transact all such other business as may properly come before the Meeting.

ALSO TAKE NOTICE that—

(a) the Bearer of a Share Warrant may attend and vote at said Meeting in respect of the shares represented by such Share Warrant on production of his Share Warrant to the Secretary of the Meeting or to any other person appointed by the Chairman of the Meeting to inspect the same:

(b) any holder of a Share Warrant shall be entitled to attend in person or by proxy and vote at said Meeting in respect of the shares represented by such Share Warrant if, ten days at least before the day appointed for the Meeting, such Share Warrant is deposited with either the Transfer Agent and Registrar of the Company's Capital Stock, The Trusts and Guarantee Company, Limited, Toronto, Ontario, or the Liberty Bank of Buffalo, Buffalo, New York (named and approved by the Directors to act as Depositaries to receive deposits of Share Warrants for the purpose mentioned), which Depositary shall issue a Certificate setting out the name and address of the Bearer of such Share Warrant and certifying to the deposit thereof and the number of shares represented thereby and forward such Certificate to the Company at its Head Office or addressed to the Company, care of its Secretary, at the undermentioned address, so as to reach it before the time appointed for the said Meeting, and the person or corporation whose name and address shall appear in such Certificate or his, her or its proxy shall be entitled to vote in respect of the number of shares represented by the Share Warrant or Share Warrants so deposited as appears by such Certificate; the names of more than one as joint holders of a Share Warrant shall not be received; a Share Warrant or Warrants so deposited shall be retained by the Depositary until after the said Meeting or any adjournment thereof shall have been held.

Proxy forms may be obtained from either of the said Depositaries.

A copy of the Company's Annual Report for the fiscal year ended March 31st, 1937, may be obtained by any holder of a Share Warrant upon application to the Secretary.

Dated May 29th, 1937.
By order of the Board.
W. S. WALTON,
Secretary,
603 Royal Bank Building,
Toronto, Ontario.

Week in Wheat

Brighter Crop Outlook Extends Price Decline

Rainfall in West Has Pronounced Bearish Effect — Pressure to Purchase Canadian Wheat Is Slack

From Our Own Correspondent

WINNIPEG.—Improving prospects for spring wheat production on this continent have been largely responsible for the continued decline in prices over the past week.

Generous rains in western Canada had a pronounced bearish effect, perhaps greater than was justified—keeping in mind that a large part of southern Saskatchewan is still in poor shape. On perhaps two million acres, prospects are that farmers will not get back their seed.

While steadily continuing rains beginning immediately would save a good deal of the crop, it is estimated that some 500,000 acres may be listed as definitely lost. The current condition in the remainder of the province is ranked from fair to excellent. All of Manitoba and most of Alberta are in excellent shape.

Pressure to buy Canadian wheat, in spite of its close parity with other wheats, has been slack. Meanwhile, Australia has been pressing sales and finding a good market in Europe. European buyers are apparently waiting further news about crop probabilities in North America before making heavy commitments in the Canadian market. They evidently expect to be able to fill some requirements for hard wheat with shipments from Gulf ports in the near future.

The Canadian visible is below 60 million bushels. The decline should now be rapid as farmers' bins are depleted to an unusual extent.

American Crop

The recent estimate of 610 million bushels for the United States winter wheat crop was perhaps less pessimistic than had been expected. It represents a reduction of only 45 million bushels from the Government report of conditions as at May 1. Recent reports had emphasized deterioration in western Kansas and other parts of the southwest.

In the spring wheat states, conditions parallel those in western Canada, with very good prospects in Minnesota and a considerable part of the Dakotas, and poor prospects in other areas.

European reports have been varied. Prospects have definitely improved in some countries, while in others the opposite holds true. Delayed seeding in Russia, with a considerable part of the Siberian crop still unseeded, may be an important development.

* * *

Turgeon Goes Abroad

It is understood Mr. Justice Turgeon will be accompanied on his trip to England by the Grain Inquiry Commission's counsel, J. L. Ralston, and Dr. Grindley, secretary to the Commission. Evidence in the formal sense will not be taken abroad, but information will be sought from those in the trade willing to make informal statements.

The Pools are expected to send a representative in order to defend those organizations from the charge of having alienated business by the course of their policy. The Grain Exchange will probably send a representative

Grain Probe May Produce Market Check

Supervision of Futures Trading Seen as Possible Result

From Our Own Correspondent

WINNIPEG.—The Regina session concluded, and 70 days sittings in western Canada over, the Turgeon Grain Enquiry is expected to resume its Canadian sessions at Winnipeg in September. In the meantime, Mr. Justice Turgeon will conduct enquiries in Great Britain and in Europe.

Though the final report of the commission is many months away, it is evident that the campaign for a permanent, compulsory, and monopolistic wheat board, operated by the Dominion Government, has failed.

Chief proponents of that idea have been the western wheat pools, supported by farmers, but there was also evidence of enough farmer opposition to the idea of compulsory pooling to indicate the idea is politically impracticable.

Moreover, the idea could hardly stand up against the combined opposition of expert opinion expressed by John I. McFarland and J. R. Murray. While the two disagreed on the respective merits of the wheat policies they administered, they were united on the merits of maintaining an open wheat market in Canada.

Weight of testimony seems also against the type of wheat board provided for under the present act. Mr. Murray saw no possibility of its success, except in paying farmers, at government expense, more than the market value of their wheat.

Clean Slate for Trade

In previous commission enquiries, the grain trade has been the target. In this one there has been only one target, the Dominion treasury. The grain trade has had practically no criticism, and the elevators none. Satisfaction with Canada's system of grain handling was repeatedly expressed. There was nothing to complain of, it has been revealed, except that the price of wheat is sometimes too low.

Nevertheless, some supervision of the futures market on the Winnipeg Grain Exchange will almost certainly result from the enquiry. The plan, previously recommended by Sir Josiah Stamp, is that such a commission could acquire a body of information about what actually goes on in the futures market which would either disarm criticism and charges of injurious practices, or on which regulation could be based.

Investment Trusts

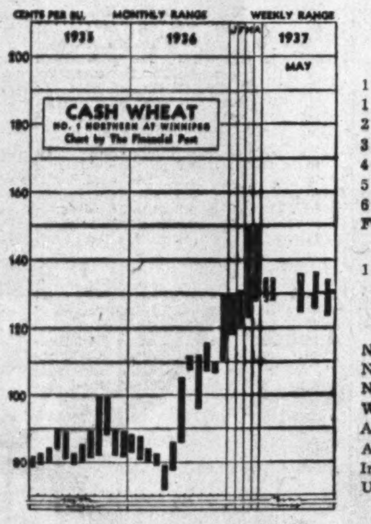
	Bid	Asked
Can. Amer. Trust	4.60	4.90
Can. Invest. Fund	4.50	4.85
All Can. Trustee	14.00	14.50
Trans-Canada	...	14.50
Grouped Income Ex. Coup.	6.23	6.85
Can. Equity	13.50	...
Can. Int. Tr., modified	6.00	6.50
Do., unmodified	5.50	6.00

Mining Dividends

	Rate	Close May 31	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.16	..
Bralorne	40c+15c	7.00	*7.8
Buffalo Ankerite	50c+5c	9.45	*5.8
Bulolo Gold	‡1.50	24.00	..
Cariboo	10c	1.65	6.1
Central Patricia	4c	2.90	..
Coniagas	12½c	2.85	..
Coniaurum	5c	1.20	..
Cons. Smelters	$1+$1	75.00	..
Dome Mines	$2+$2	39.00	*10.2
Falconbridge	30c	7.65	3.9
Hollinger	65c+45c	11.25	*9.7
Howey Gold	2c	.36	..
Hudson Bay	75c	28.00	..
Island Mountain	‡10c	.70	..
Int. Coal & Coke	‡1c	.21	..
Inter. Nickel, com.	$2	58.00	3.4
Inter. Mining	30c	12.00	..
Kerr Lake	5c	.50	..
Kirk. Lake	‡3c	1.25	..
Lake Shore	$4+$1	51.00	*9.8
Lava Cap M.	5c	.93	..
Little Long Lac	20c	5.30	..
Macassa	15c	5.05	2.9
McIntyre	$2	33.50	5.9
McKenzie Red Lake	4c	1.15	..
McKinley Sec.	5c	.65	..
McWatters Gold	5c	.50	..
Noranda	$3	61.00	..
Nor. Can. Mining	2c	.79	..
Nipissing	25c	2.40	..
Placer Develop.	‡60c	16.00	..
Premier	12c+1c	2.50	*5.2
Pioneer, B.C.	40c	4.00	10
Pickle Crow	§5c	6.10	..
Reno	12c	.85	14.1
San Antonio	7c	1.50	..
Sheep Creek	8c	.82	9.7
Siscoe	20c+1c	3.75	*5.6
Sudbury Basin	10c	4.00	..
Sullivan Cons.	†2½c	1.29	..
Sylvanite	20c+5c	3.06	*8.1
Teck-Hughes	40c+5c	5.05	*8.9
Toburn	8c	2.50	3.2
Ventures	†12½c	9.10	..
Wright-Harg.	40c+25c	6.30	*10.3

‡Interim. †Initial.
*Yield includes bonus.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

Wheat Prices



CASH WHEAT
NO. 1 NORTHERN AT WINNIPEG
Chart by The Financial Post

(Cash Quotations)

	For Week June 1 High	For Week June 1 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.30½	1.23¼	1.37½	1.28¾
1 Northern	1.30½	1.23¼	1.37½	1.28¾
2 Northern	1.27¾	1.20¼	1.34¾	1.28¾
3 Northern	1.26	1.19½	1.32½	1.28¼
4 Northern	1.21½	1.14¾	1.27½	1.18¾
5 Wheat	1.15⅛	1.08¾	1.22⅛	1.13¾
6 Wheat	1.09½	1.02¾	1.16½	1.07¾
Feed Wheat	.86½	.81⅛	.90½	.82¾
Vancouver: Week to May 31:				
1 Northern	1.26	1.17¾	1.32	1.28¼

Competitive Export Prices:

June shipments—	Week to May 29 High	Week to May 29 Low
No. 1 Nortn. (afloat)	unquoted	
No. 1 North. (Atlan.)	1.51¾	1.45⅝
No. 2 North. (Atlan.)	1.49⅜	1.43¼
West Australian (afloat)	1.44⅜	1.43¾
Australian*	1.44¾	1.42
Argentine Rosafe	1.40⅛	1.35½
Indian (new crop)	1.39⅛	1.37⅜
U. S. Soft White Pac.†	1.36⅜	1.35⅞

*May. †Sept.

Winnipeg Grain Futures

Week to June 1, 1937

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open May 26	High for week	Low for week	Close June 1
		Wheat				
1.51⅝	1.05⅝	May	1.29	1.31	1.23	.....
1.47	1.03¾	July	1.27⅝	1.29⅝	1.21	1.22⅛
1.31¼	1.04⅛	Oct.	1.19	1.20	1.12	1.13
		Oats				
.63⅝	.42¼	May	.58¼	.61	.55¾	.....
.60⅝	.43⅜	July	.52	.55⅝	.51½	.54⅞
.54¾	.41	Oct.	.44	.45	.41	.42½
		Barley				
.88⅞	.50⅞	May	.69¼	.70⅞	.67⅛	.....
.82⅛	.56¾	July	.....	.68⅛	.64½	.66¼
.75¼	.51	Oct.	.56	.58¼	.55½	.57⅛
		Flax				
2.03½	1.69½	May	1.72	1.72	1.68	.....
2.05	1.63¼	July	1.72	1.73	1.68½	1.69¼
2.01	1.64½	Oct.	1.70	1.72½	1.64½	1.65⅞
		Rye				
1.21¼	.62⅝	May	1.13	1.16⅝	1.12⅞	.....
1.18	.78¼	July	1.09	1.11⅛	1.08	1.10
1.04½	.81⅜	Oct.	.88	.90⅛	.81⅝	.84½

Perron Gold Recovers $33,505 Early in May

From Our Own Correspondent

MONTREAL.—Perron Mines mill was operated at practically full capacity during the first half of May, bullion production for the period amounting to $33,505; a total of 5,156 tons of ore, assaying $6.53, went to the mill.

In his report on operations, J. P. Norrie, general manager, states that the 324 vein was extended 32 ft. to the east in drift 324-1 in 6 ft. of well mineralized vein material of average grade.

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War Ace Nears Peace Goal

General Manager of Trans-Canada Airways Has Dreamed of Coast-to-coast Service Ever Since Return From France

By CHARLES SHAW

VANCOUVER.—Canada's No. 1 active flyer has become the No. 1 executive of the nation's biggest air service.

Appointment of Major D. R. MacLaren, D.S.O., M.C., Croix de Guerre, as general manager of the new Trans-Canada Airways represents for this quiet-mannered, pipe-smoking aviator-businessman the realization of a life's ambition.

MAJOR D. R. MacLAREN

For years Don MacLaren has studied, dreamed of and planned a thoroughgoing cross-Canada aviation service. Even in the days when he was organizing two-by-four flying outfits on the Pacific coast he used to talk about Canada's opportunity to establish a nation-wide service to open up the more remote sections of the country, bring the big cities closer and hasten the mails from Canadian coast to coast. Now, as the directing head of Trans-Canada Air Lines, he hopes to see his dream come true. It is safe to say that no one in Canada is better equipped for the job. His service to aviation in the West and the organizing ability he has shown in operating planes in British Columbia are quoted in support of his qualifications.

Among War Aces

Major MacLaren is one of Canada's few top-flight war airmen who continued to be an active figure in aviation in peacetime. He has a remarkable war record. He shot down 48 enemy planes and six balloons in eight months at the front. His achievement was surpassed only by Col. W. A. Bishop, leader of them all with 72 enemy warcraft to his credit; Col. Ray Collishaw, 70, and Major William Barker, V.C., 50.

The war left Major MacLaren with a reputation as one of Canada's crack flyers and a determination to make flying as important a peacetime function as a military one. Piloting a plane was as natural to him as riding a bicycle. After the war nothing but flying appealed to him. He was among the first Canadians to recognize the commercial possibilities of an organized flying service.

Peacetime Career

Major MacLaren formed a small aviation company in Vancouver, operating a flying boat on coastal work. This outfit was absorbed by Western Canada Airways which later became Canadian Airways, Ltd., and MacLaren rose steadily to high executive posts in that organization and others. At the time he took over his new office with Trans-Canada Airways he was superintendent of the B. C. division of Canadian Airways, a branch including all British Columbia and the Yukon.

Major MacLaren, some time ago, convinced Canadian Airways that it should purchase two high-speed modern transport ships and put them into service. One Lockheed Electra has been operated on the Vancouver-Seattle airmail for half a year, while the other, piloted by H. Hollick-Kenyon, famed for his polar flying with Ellsworth, was lent to the department of transport for survey flights over the trans-Canada line. With these two craft in service, a limited number of Canadian pilots, engineers and operating personnel have learned something of modern airline problems. These men and machines will be taken over by the Trans-Canada Airways and form the nucleus of the new service.

Keeps Hand on Controls

As superintendent of the Pacific division of Canadian Airways Major MacLaren has had active charge of fisheries patrol work for ten seasons, of charter flights serving many important mining areas, aerial photography and frequent rescue expeditions. He has frequently taken long air trips, at the controls himself, not because he didn't have plenty of work to do at his executive desk, but because he believes that a flying company manager shouldn't become too separated from the actual handling of planes. Flying has progressed so fast, he maintains, that unless a man operates planes often he soon gets hopelessly out of touch with flying conditions. He is the type of executive who likes to feel confident that, should occasion arise, he can put on his working clothes and do any job as well as the next man.

He lives in an atmosphere of flyers and flying. Although he has been active in community affairs in Vancouver; has been a member of the Board of Trade and Rotary club and is a former chairman of the transportation and customs bureau of the Board of Trade, aviation has always dominated his personal interest. Flying is his hobby as well as his business, and evenings that he might otherwise spend at the club, the movies or at a neighbor's house for bridge he devotes to poring over maps or studying problems of aviation. No wonder his fourteen-year-old son is determined to be an airman, too.

Enlisted from McGill

Born in Ottawa 43 years ago, Major MacLaren received his early education at Western Canada College and in Calgary. He was at McGill University when war broke out. In the fall of 1917 he arrived in France and was soon in service with the 46th Squadron, Royal Air Force. The next year brought the big offensive and MacLaren went into action.

His achievements were spectacular from the start. He was awarded the Military Cross in June, a bar to the cross in July, and in September he was given the Distinguished Flying Cross. In the same period he rose from the rank of subaltern to the command of the squadron. The D.S.O. was awarded MacLaren after his return to England. France honored him with the Croix de Guerre and made him a chevalier of the Legion of Honor.

After the armistice he assisted in the organization of the Royal Canadian Air Force, which became Canada's permanent air arm. He is an honorary wing commander, created by order-in-council a year ago. It was largely due to his efforts that Britain sent to Canada the 112 planes and 12 blimps to form the nucleus of the R.C.A.F. He was in charge of location of the Canadian Government's seaplane base at Jericho Beach, near Vancouver.

Trans-Canada Orders Twin-engine Transports

From Our Own Correspondent

VANCOUVER. — Trans-Canada Airways has already ordered several planes for its service, it is understood here. These will be twin-engined transport planes similar to those in operation in United States lines. Each will be capable of 200 miles an hour.

The training period will occupy the entire summer and service on the prairie division, Winnipeg-Lethbridge, may be undertaken in the fall.

There is no hope of a Montreal-to-Vancouver service before the spring or summer of 1938. Installation of airway beacons and remaining emergency landing fields cannot be completed before then.

Establishment of transatlantic air service is expected to have a considerable effect on the Trans-Canada Airways. Passengers and mail crossing the ocean by air will be put aboard the Canadian planes at Montreal for their trip across the Dominion. This connection with European lines will mean that Canada must provide a modern service with the best of equipment.

Power Output Again Soars

April Consumption at New Peak for Month — Ontario in Lead

From Our Own Correspondent

MONTREAL.—The central electric stations in Canada report an output of 2,323 million kw.h. in April, or almost double the April, 1933, output, and 7.3% above that of April, 1936, according to returns compiled by the Dominion Bureau of Statistics.

Good Gains Recorded

Particulars of the output for last month, and for the year to date, with comparative figures for 1936, follows:

April
(Thousands of Kilowatt Hours)

	1937	1936
Maritimes	76,568	74,175
Quebec	1,180,909	1,139,863
Ontario	746,184	664,609
Prairies	168,115	154,025
British Columbia	149,108	131,956

4 Months Ended April

	1937	1936
Maritimes	311,261	243,459
Quebec	4,768,551	4,272,752
Ontario	2,916,069	2,622,106
Prairies	708,928	674,162
British Columbia	496,818	517,264

The index number for the construction of firm power in Canada has been advancing during the last six months to approximately the same rate as the total output, and also reached a new high in April at 198.08. The actual consumption figures follow:

April
(Thousands of Kilowatt Hours)

	1937	1936
Maritimes	75,211	73,064
Quebec	1,000,969	958,895
Ontario	765,318	721,225
Prairies	169,466	155,381
British Columbia	147,673	130,567

4 Months Ended April

	1937	1936
Maritimes	304,990	238,874
Quebec	4,055,269	3,527,921
Ontario	3,026,035	2,892,547
Prairies	713,080	680,234
British Columbia	490,331	511,016

Canadian Car Piles Up Orders

From Our Own Correspondent

MONTREAL.—Orders received by Canadian Car and Foundry Co. to date total over $20 millions and at present the company is putting through the plant about $2½ millions of business a month.

With the possibility of additional orders, expectations are that gross income of the company will amount to $14 millions for the year ended Sept. 30 next, as all present orders cannot be completed before the year end.

Paper Unions In B. C. Mills

A. F. of L. Brotherhoods Start Unionization in Powell River

Employees of Powell River Co., B.C. newsprint producer, have voted by a large majority in favor of organization of local unions of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers and the International Brotherhood of Paper Makers. These unions are affiliates of the American Federation of Labor which is reported to plan unionization of the entire pulp and paper industry in British Columbia.

British Columbia Pulp and Paper Co., operating mills at Port Alice and Woodfibre, B.C., is one of the major operating companies whose workers would be included in the unionization campaign. Port Mellon Operating Co. employees and workers at the Ocean Falls plant of Pacific Mills Ltd. may also be drawn into the unions.

Union Wage Scales

Harvey H. White, representative of the paper workers' brotherhoods, is reported as stating that union wage scales would be one of the demands arising from unionization of the Powell River employees.

Recently the same unions negotiated new wage agreements with pulp and paper firms in Ontario. Increases in wages effected by the two-year agreements range to 25% in the case of general paper mill laborers. The Ontario wage scales are based on agreements made earlier this year with Great Northern Paper Co. operating in Maine, which is one of the major U. S. newsprint producers.

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National Thrift Corporation Limited

BALANCE SHEET

April 30th, 1937

ASSETS

General and Loan Department

Cash on hand and in bank		$ 671.25
Loan contracts receivable	$117,580.73	
Accounts receivable (partially secured)	13,493.11	
	131,073.84	
Less: Provision for bad debts	3,007.80	
		128,066.04
Directors' balances		9,593.59
Securities at cost prices:		
Sundry bonds	$ 470.00	
National Thrift Corp'n (New Brunswick) Limited, an associated company, 13,222 shares of no par value	40,699.50	
		41,169.50
Life assurance, cash surrender value of policies (amounting to $35,000.00) on lives of (4) directors		346.49
Stationery and supplies		600.00
		180,446.87
Office furnishings, etc., at cost, less dep'n		1,568.56
Investment Certificate department, balance		15,519.10
Deferred operating charges:		
Prepaid taxes, etc.		425.00
Deferred financial charges:		
Discount on preferred shares	$ 655.00	
Expenses relating to sale of Preferred shares	498.85	
		1,153.85
		$199,113.38

LIABILITIES, CAPITAL, ETC.

General and Loan Department

Accounts payable		$ 904.21	
Clients' reserves		45.00	
Outstanding cheques, less funds in bank		2,707.47	
Royal Bank of Canada, loans secured by deposit of collateral		31,800.00	
			$ 35,456.68
Directors' credit balances			378.03
Reserve for taxes			508.13
			$ 36,342.84
Provision for unearned interest			500.00
Capital Stock:			
6% **Cumulative Redeemable Convertible Preferred shares:**			
Authorized to be issued: 1,000 shares of $100.00 each		$100,000.00	
Shares paid up and issued (131)		13,100.00	
Non-par Common shares:			
Authorized to be issued: **50,000 shares** (shares issued 35,000)		130,515.50	
		$143,615.50	
Appropriation to provide for deficit to date on operations of Investment Certificate department		5,598.45	
Current surplus account	$3,440.97		
General reserve account	9,615.62		
		13,056.59	
			162,270.54
			$199,113.38

Investment Certificate Department

Cash on hand and in banks		$ 237.26
Advances against cash surrender values of investment certificates		20.00
Advances to agents	$ 7,942.91	
Less: Provision for losses, allowances, etc.	2,703.11	
		5,239.80
Reserve Fund, representing cash deposited with Trustee (and earnings from investments made by Trustee) in respect to Investment Certificate contracts. (An additional deposit of $3,041.32 will be necessary in order to bring fund up to amount required April 30th, 1937)		28,076.91
Accrued interest on investments		61.36
Stationery and supplies		500.00
Office furnishings, etc., at cost, less dep'n		408.21
Deferred financial, etc., charges:		
Financial, system, actuarial tables, etc., at cost ($5,015.00) as acquired at inception of company, less proportion ($3,000.00) written off	$ 2,015.00	
Expenses relating to organization of department	8,229.32	
		10,244.32
Deficit account, representing loss on operations of department to date (see appropriation therefor, General and Loan section)		5,598.45
		$ 50,386.31

Investment Certificate Department

Reserve for agents' commissions	$ 2,093.53
General and Loan department, balance	15,519.10
Reserve for cash surrender values of Investment Certificates	4,183.20
Reserve for contingencies	25,721.76
Capital Surplus arising from lapsed, etc., Certificates	2,868.72
	$ 50,386.31

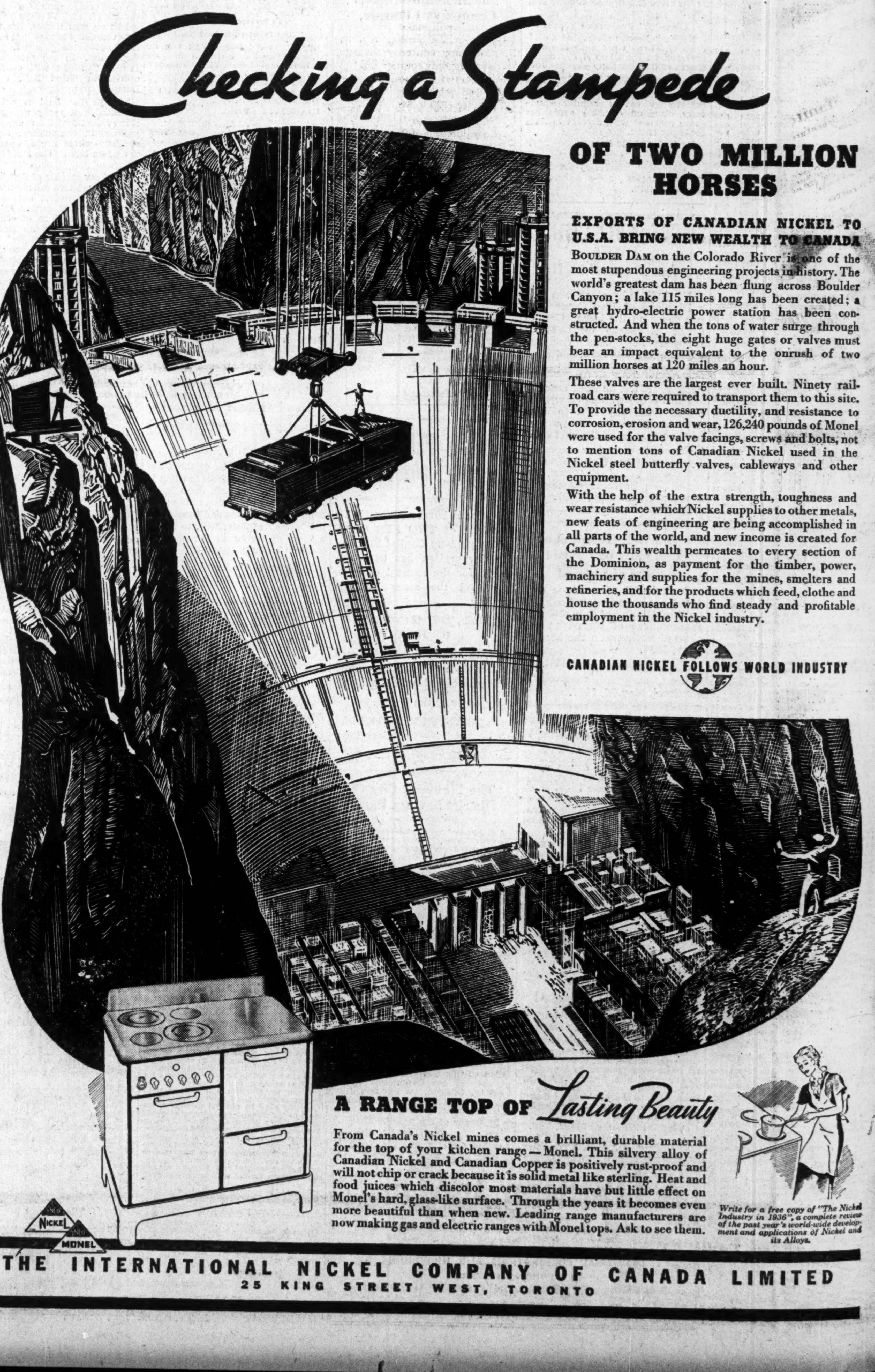
Approved on behalf of the Board:
J. O. Morse, President.
E. S. Dexter, Director.

We have examined the books and accounts of National Thrift Corporation Limited for the fiscal year ended April 30th, 1937, and have obtained all the information required. In our opinion, therefore, the foregoing Balance Sheet has been properly drawn up so as to exhibit a correct view of the financial position of the Corporation on the above named date, according to the particulars and explanations furnished us and as shown by the books of account.

A detailed report on the Corporation's affairs and operations (with special statements and schedules attached thereto) relating to the fiscal year ended April 30th, 1937, has been prepared by us and filed at the office of the Corporation, where, by arrangement with the President or the Secretary, it may be examined by shareholders desiring to do so.

D. S. HART AND CO.,
Chartered Accountants.

Halifax, N.S.,
May 11th, 1937.



Checking a Stampede OF TWO MILLION HORSES

EXPORTS OF CANADIAN NICKEL TO U.S.A. BRING NEW WEALTH TO CANADA

BOULDER DAM on the Colorado River is one of the most stupendous engineering projects in history. The world's greatest dam has been flung across Boulder Canyon; a lake 115 miles long has been created; a great hydro-electric power station has been constructed. And when the tons of water surge through the pen-stocks, the eight huge gates or valves must bear an impact equivalent to the onrush of two million horses at 120 miles an hour.

These valves are the largest ever built. Ninety railroad cars were required to transport them to this site. To provide the necessary ductility, and resistance to corrosion, erosion and wear, 126,240 pounds of Monel were used for the valve facings, screws and bolts, not to mention tons of Canadian Nickel used in the Nickel steel butterfly valves, cableways and other equipment.

With the help of the extra strength, toughness and wear resistance which Nickel supplies to other metals, new feats of engineering are being accomplished in all parts of the world, and new income is created for Canada. This wealth permeates to every section of the Dominion, as payment for the timber, power, machinery and supplies for the mines, smelters and refineries, and for the products which feed, clothe and house the thousands who find steady and profitable employment in the Nickel industry.

CANADIAN NICKEL FOLLOWS WORLD INDUSTRY

A RANGE TOP OF Lasting Beauty

From Canada's Nickel mines comes a brilliant, durable material for the top of your kitchen range — Monel. This silvery alloy of Canadian Nickel and Canadian Copper is positively rust-proof and will not chip or crack because it is solid metal like sterling. Heat and food juices which discolor most materials have but little effect on Monel's hard, glass-like surface. Through the years it becomes even more beautiful than when new. Leading range manufacturers are now making gas and electric ranges with Monel tops. Ask to see them.

Write for a free copy of "The Nickel Industry in 1936", a complete review of the past year's world-wide development and applications of Nickel and its Alloys.

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THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

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$7,391,000,000 in Bonds

This is the Investor's Stake in Canada's Biggest Business—A Frank Discussion For Holders of Government and Municipal Securities

By NORMAN A. WHITE

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Although Canada has entered the fifth year of recovery, the outlook for her largest business and financial enterprise, the business of Government—federal, provincial and municipal—remains uncertain and obscure.

Since there are over 27,000 taxing bodies in Canada with a total funded indebtedness of nearly $7.4 billions, this is a matter of supreme importance to the investor as well as to industry and the taxpayer.

From the low of the depression in March, 1933, there has been continuous improvement in almost every branch of Canadian industry. Indices show business to be rapidly approaching the 1929 level. In April last, The Financial Post business index stood at 119.7, a rise of more than 49 points from the low point of 70 in 1933.

For further evidence of business recovery, one only needs to look at the trend of corporation profits and dividends during the past three years. There is hardly a major Canadian company which has not benefitted from the upward trend in business activity. The improvement, in fact, has been so great that dividend payments by Canadian corporations in 1937 are expected to establish a new record.

As one would expect, the betterment has been accompanied by a material improvement in the outlook for, and position of, the investor in Canadian corporation securities. Returns on equity shares have increased, the majority of corporation defaults have been adjusted and the security behind most corporations' bonds has improved

* * *

A Long Road

But what of Government bonds and Government finances?

In Government finances there has been very substantial improvement from the depression low. Unfortunately, however, governments have a longer road to travel toward financial stability than has industry.

The improved outlook for holders of Government bonds results from sharp increases in tax collections by almost all governments, reduction in deficits, declining relief costs, reductions in debt by many municipalities and virtual stoppage of municipal defaults. Indicative of the improvement is the reduction of deficits of the 10 senior governments, that is, of the Dominion and nine provinces, to $125 millions in the 1936-37 fiscal period from $225 millions in the previous year. In the current year it is expected that there will be further improvement and that the combined deficit will amount to about $75 millions.

Dominion Government bonds have been and are regarded as the highest type of investment security available in Canada. Recently, however, some investors have become suspicious that they are not as white as they are painted. The reason for this is the continuance of large deficits despite the substantial improvement in business activity. Continuance of their position as the first investments of the country will depend on what steps are taken by the Federal Government to improve its financial status and to wipe out the accumulated deficits which total $717 millions for the fiscal years 1932-33 to 1936-37 inclusive.

A favorable factor from the investors' point of view is that the present Government at Ottawa is cognizant of the necessity of eliminating deficits and of putting the finances of the entire Canadian Government family in order. It is for this reason that a Royal Commission is to be appointed this year to investigate the division of taxation and financial responsibilities between the provinces and the Dominion.

* * *

Federal Picture Better

In the 1936-37 fiscal year, there was substantial improvement in the financial affairs of the Federal Government. The over-all deficit for the year was reduced to $87.3 millions from $159.9 millions in the previous period, and loans made to the four western provinces for relief purposes were reduced substantially.

Continued improvement can be looked for, the deficit for the 1937-38 fiscal period being estimated at $35 millions. For the 1938-39 year hopes are held that the budget will be balanced.

Improvement last year was largely due to higher revenue arising from increased taxation and expanding business activity. From an examination of the expenditure account it is obvious that the Dominion is not on an economy march. The trend, in fact, is toward a loosening of the purse strings, as is indicated by the fact that ordinary expenditures last year increased $19.3 millions, to attain a new peak. The policy of the Government seems to be not to make any determined further effort to reduce expenditures, but rather to depend upon expanding business activity to solve the country's financial problem.

Expanding business activity may enable the Government to balance its budget, but one would have to be a supreme optimist to believe that it will make possible a substantial reduction in the burden of debt unless expenditures are reduced or taxation increased. These are the only courses open to the Federal Government if it is to reduce its direct and guaranteed debt which has increased by $1.1 billion since 1929 to $4.2 billions.

It is possible also that the Dominion will have considerable difficulty in balancing its budget, since it appears that the Dominion may have to assume certain expenditures now shared with the provinces. During the depression years the Dominion rendered assistance to the four western provinces for unemployment relief and other purposes. At the present time the provinces are paying interest on these loans, but it is possible that a portion, if not all, of the loans will have to be wiped out. Furthermore, pressure is being exerted by the provinces to have the Dominion assume the entire cost of such social expenditures as unemployment relief and old age pensions. If unemployment health insurance programmes are enacted, the major burden will have to be borne by the Federal body.

* * *

Provincial Outlook

Second in importance in the Government family are the provinces, with $1.4 billion of direct obligations and $241 millions of guaranteed bonds.

Of necessity, provincial bonds must be judged on their individual merits. As in the corporation field, there are poor, fair and excellent securities. Taken as a whole, the provincial bond picture is not a particularly bright one, since only five of the nine provinces enjoy high credit ratings.

Of the nine provinces, Ontario is the only one that has balanced its budget after charging relief to revenue. In the year ended March 31, 1937, the province had a surplus of $9.3 millions, and a reduction in both gross and net debt. This is the largest surplus reported by any Canadian province since Confederation. Continued improvement in business and reduction in relief costs should enable Ontario to report further large surpluses and reductions in debt.

The four eastern provinces, that is, Quebec, New Brunswick, Nova Scotia and Prince Edward Island, continue to enjoy high credit ratings despite large increases in debt during the past seven years, but in view of continuance of deficits and increases in debt, their financial affairs cannot be said to be entirely satisfactory. During the depression, Quebec and Prince Edward Island have more than doubled their debts. Of the four, Nova Scotia is the only one that balanced its budget on ordinary account last year, exclusive of relief costs.

New Brunswick and Prince Edward Island have budgetted for a deficit on ordinary account in the current fiscal year, and Quebec for an over-all deficit of $31 millions. Continuance of such a policy in prosperous times can lead only to a situation similar to that existent in western Canada. As was pointed out by the Bank of Canada in its reports on the finances of the three prairie provinces, one of the reasons for the present serious plight of their financial affairs was the failure to reduce debts in good times in the past.

* * *

Recovery in B. C.

Of the four western provinces, British Columbia enjoys the most favorable outlook. Considered to be on the verge of default a little over a year ago, the province has staged a remarkable recovery, and with the aid of continued economic recovery should be able to restore its finances to a stable basis. At the present time British Columbia is receiving some assistance from the Dominion Government in financing its share of relief costs, but should in the near future be able to stand on its own feet. The improvement in its finances has been such that it was able early this year to re-enter the money market and sell $3 millions of bonds to institutional investors. In the past two fiscal years the province has had a substantial surplus on ordinary account, exclusive of relief.

Manitoba and Saskatchewan, early this year, were prevented from following Alberta's example and cutting interest on their bonds only through the intervention of the Dominion Government, which tendered temporary financial aid and promised to appoint a Royal Commission to investigate the financial relationships between the provinces and the Dominion. Both of these provinces are faced with serious financial problems and unless some solution is found, default in the future is possible.

For a solution of the problems of these two provinces the main hope is the proposed Royal Commission on Dominion-provincial finance. Both provinces will urge upon the Commission the necessity of a revision of the financial basis of the B. N. A. Act which will provide them with adequate revenues for necessary Government services. The Commission will be asked to recommend either a broadening of the provincial taxation base or the assumption by the Dominion Government of such social expenditures as relief and old age pensions.

It is possible also that bondholders of these two provinces will be faced with a reduction of income. Manitoba has already intimated that it will urge upon the Commission that provincial and municipal debts should be refunded at a lower rate of interest. Whether the commission will accept such a proposal is difficult to say, but it is unlikely that refunding will be carried out without a guarantee by the Dominion.

Alberta stands alone among the provinces, having the rather dubious honor of being the only one to have defaulted on its obligations. The province is in default on three principal payments and has cut interest by 50%. As long as the Social Credit Government is in power it is difficult to determine the prospects for investors in Alberta securities. There is no immediate prospect, however, of resumption of full debt service.

* * *

Municipal Tangle

Canadian municipal bonds at one time occupied a place of distinction in financial markets, a position, in respect to security, secaond only to Dominion of Canada bonds. Many remain in this position, but the depression has made it necessary for investors to exercise greater caution in selecting securities for investment.

Municipal defaults totalling $140 millions during depression years were a severe blow to investors. Further blows may be felt as municipalities with an additional $100 millions of debt are on the verge of default.

For the investor in municipal bonds, however, there has been a very distinct brightening of skies in the past two years. While little progress has been made in adjusting defaults, the majority of municipalities have strengthened their financial positions. Debts have been reduced and tax collections have shown marked improvement.

The improvement has been most marked in eastern Canada and especially in Ontario and Quebec. Although a large portion of the municipal debts in default are located in these two provinces, the municipal picture as a whole is brighter there than elsewhere. In Ontario, especially, there has been a sharp reduction in relief costs.

Quebec has made substantial progress in adjusting its defaults, interest payments on a number of defaulted bonds having been brought up to date. The Quebec method of dealing with municipal defaults whereby payments on account of interest are made, if and when funds are available, results in smaller losses to investors than in the case of defaults in other provinces.

In Ontario, progress in adjusting defaults has been slow, although the position of most of the defaulted municipalities has improved. Many, in fact, have large accumulations of cash, and failure to negotiate adjustments is working to the detriment of both debtor and creditor. Now that agreement has been reached for the refinancing of Windsor, expectations are that refunding for a number of the defaults will be worked out this year.

* * *

Western Problems

The municipal outlook in western Canada is much less satisfactory. Here, as in the East, there are a number of municipalities which have improved their position during the depression, but there are also a large number which are faced with serious financial problems and which may be on the verge of default. Among these are some of the major cities.

A forward step was taken early this year when plans of adjustment were worked out for Calgary, Edmonton and Victoria, in order to relieve the pressing current situation and to reduce the burden of taxation. It would perhaps be to the advantage of bondholders if plans of adjustment were evolved for other western municipalities which are in difficult financial straits, thereby preventing possible defaults in the future.

The municipal problem is one which will have to be given serious consideration by the proposed Royal Commission. One of the principal reasons for the decline in municipal credit in Canada has been the heavy tax burden which, in many instances, has discouraged the ownership of property. This burden, in turn, has resulted from assumption by municipalities of social expenditures such as old age pensions and unemployment relief, for which it was never intended that property should be taxed.

During the depression years a great many municipalities have found it necessary to capitalize unemployment relief costs, and this has only aggravated the situation, since no corresponding assets have been created. The most important consideration in determining whether or not a debt is a burden, in public finance as in private, is to find out how the money has been spent. If it has been squandered or spent on unproductive works, the debt is likely to become burdensome very soon, but not so if it is spent on works that yield returns either directly or indirectly by increasing taxable capacity. From this it is obvious why capitalization of relief is proving a burden on municipalities.

While the Royal Commission will be mainly interested in the division of responsibilities between the Dominion and the provinces, it will be up to the latter to present the case of the municipalities, since they are creations of the provinces. It is possible that the solution lies in the policy recently adopted by the Ontario Government whereby the municipalities have been granted a subsidy of one mill on their assessment and the municipal share cost of mothers' allowances and old age pensions assumed by the province.

* * *

Dangers Ahead

To sum up, it appears that while Canada has succeeded in getting rid of the business crisis and reestablished business activity on a relatively stable basis, she is faced with grave dangers and the possibility of a major crisis in the realm of Government finance.

Despite the substantial improvement in business, the senior Government continues to show large deficits. Most of the Government units do not appear to have adequate revenues for this purpose. Municipalities and provinces are both bringing pressure to bear on the Dominion Government to assume the entire cost of relief and social expenditures, and in addition, some are seeking an extension of their taxation powers. Yet the Dominion Government itself has not, at the moment, sufficient revenues for its purpose.

For a solution of this problem which will point the way to financial stability, investors and governments alike are pinning their hopes on the Royal Commission which is to be appointed to investigate the division of taxation powers and financial responsibilities between the Federal Government and the provinces, with a view to removing existing strains on the country's financial and economic system. No half-way measures will do. The municipal, provincial and federal problems will each have to be dealt with. What hurts one member of the family hurts another. Further provincial defaults would reflect on the credit of the Dominion.

The investigation is likely—but not certain—to be confined to a study of the financial aspects of the B.N.A. Act and, if so, taxation will be one of the major subjects discussed. Most students of public finance agree that Canada's system of taxation is inefficient. By reorganizing the taxation system, concentrating collections of many taxes under one central authority and by working out a uniform basis of taxation for the provinces, it may be possible to bridge the gap between revenues and expenditures.

From facts presented above, it is fairly obvious that the position of the investor in Government bonds today is not as secure as it was in 1929. Throughout the depression, Government bonds were by far the most satisfactory investment. In the next five years, however, unless drastic measures are taken to put Canada's financial house in order, the situation may be reversed and corporation bonds found to be more stable securities.

* * *

Security and Yields

A paradox of the situation in which investors find themselves is that while the credit standing of most Canadian governmental units is at present far below what it was in 1929, yields on high-grade Government bonds are considerably lower. Not only are investors getting smaller returns on their money, but they also have less security.

How can the return be lower when the security is less?

At any single time, interest rates are a fair index of the security of various investments, but yields on any single investment over a period of years are not an indication of security. The decline in yields on bonds since 1933 has not been due to improvement in security, but rather to cheap money policies of governments and to the surplus of funds seeking investment. Demand and supply is just as important a factor in determining interest returns as is security.

The best evidence of deterioration in the financial standing of Canadian governments is the continuance of deficits despite marked improvement in business. It is common knowledge that an industrial corporation that continually operates at a loss soon finds itself in bankruptcy. Continued deficits by governments lead either to bankruptcy or inflation. One is as bad as the other.

What, then, should Canadian governments do? The simplest and surest way to solve the problem is to remove the cause, namely, unbalanced budgets. Our ability not only to do this, but to achieve surpluses for debt reduction is the test of financial strength which Canada will have to face in the next few years.

There is a further reason why Canadian governments—federal, provincial and municipal—should balance their budgets as soon as possible. No one claims that the problem of the business cycle has been solved. Economists and businessmen both expect that the period of prosperity which we are now enjoying will be followed by another period of depressed business activity.

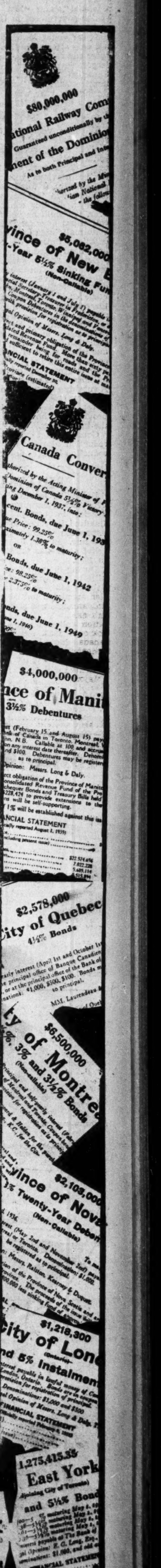
* * *

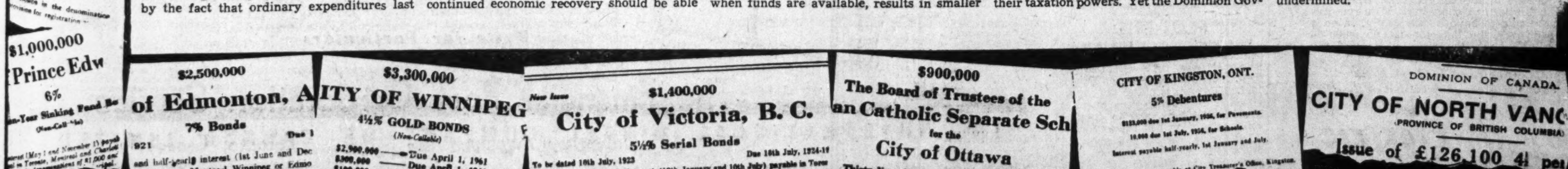
Balancing Budgets

Will Canada be prepared or will she be caught napping as she was in 1929?

One of the best ways to alleviate the effects of the ups and downs of prosperity and depression is to balance budgets in good times and unbalance them in bad times. The difficulty in Canada has been that governmental budgets, for the most part, have been unbalanced in both good and bad times. If debt is increased materially in depressions and never decreased during better times, then the result is obvious.

During the past seven years the combined debt of the Dominion, provincial and municipal governments has increased by approximately $1.8 billion. Even for a depression period this is an enormous increase. Good times have now arrived and only one of the 10 senior governments has been able to report a real surplus to date. The debt burden continues to mount. It is obvious, therefore, that the credit position of governments is being undermined.





Province of Ontario

Surplus of $9.3 Millions For Year Ended March 31, 1937, is Largest in History of Any Canadian Province—Higher Revenues and Lower Relief Costs Aid Rapidly Improving Picture — Debenture Debt Reduced During Year By $26.1 Millions

The Ontario Government has made more progress in improving its financial status than any other senior government in Canada. The surplus of $9.3 millions reported for the year ended March 31, 1937, was not only after all ordinary expenditures and relief costs, but it was the largest surplus ever reported by a Canadian province. The actual improvement in budget position during the year was $22.9 millions since a deficit of $13.4 millions was reported for the year ended March 31, 1936.

The improvement in the Government's budget position was due to sharply higher revenues and lower relief costs. Revenue of almost every department was higher than in the previous year. Succession duties with a total yield of $15.9 millions was the largest source of revenue. In this connection, however, it should be pointed out that collections of succession duties are abnormally high due to collection of additional duties from estates which have been closed for years.

Despite the economy pronouncements of the Government expenses of almost every department increased. Major progress was made, however, in reducing relief expenditures which at $13.2 millions are $8.6 millions below the previous year.

After making several reductions in taxation and providing for assumption by the province of the municipal share of mothers' allowances and old age pensions the province budgeted for a surplus of $2.3 millions in the current fiscal year. A subsidy of one mill to municipalities was also granted but this is offset by the assumption by the province of the entire proceeds of the income tax.

Gross and net debt both showed a reduction during the year. The reduction in gross debt amounted to $33 millions. In this connection it should be pointed out that $21 millions of the reduction is due to repayments by the Hydro-Electric Power Commission of Ontario of maturing loans which were issued by the Ontario Government on its behalf. In order to repay this amount the Hydro issued $20 millions of debentures during the year. Since Hydro is now doing its own financing and repaying loans from the province the direct debt may be expected to show a substantial reduction over a period of years while the guaranteed debt may increase.

Net debenture debt was reduced during the year by $26.1 millions and treasury bills outstanding by $12 millions.

It is estimated that capital expenditures of $31.9 millions in the current fiscal year will exceed capital payments by $8.5 millions. Capital expenditures on highways alone will total $14.5 millions.

Debt Position
As at March 31, 1937

Gross debt	$656,460,348
Net debenture debt	567,973,130
Treasury bills	38,000,000
Included above:	
Hydro debt	151,572,943
Farm loans	47,279,315

PROVINCIAL FINANCES
Revenue and Expenditure
Revenue

Department	1937 $	1936 $
Agriculture	808	195
Attorney-General	1,290,603	563,854
Education	1,804	2,697
Game & fisheries	782,218	683,939
Health	38,486	35,763
Highways	26,976,444	24,507,384
Insurance	237,841	161,104
Labor	7,316	922
Lands & forests	2,974,908	2,792,710
Legislation	6,927	9,034
Mines	2,110,581	1,734,258
Prime Minister	22,632	25,147
Provincial secretary	680,750	356,184
Provincial treasurer	45,344,212	34,839,847
Public works	7,283	8,976
Stationery	5,627	4,967
	80,488,439	65,726,984

Expenditure

Department:	1937 $	1936 $
Agriculture	1,546,472	1,531,781
Attorney-General	2,290,164	2,247,319
Education	10,001,950	9,835,582
Game & fisheries	446,132	434,902
Health	6,128,023	6,187,597
Highways	4,931,307	4,236,782
Insurance	65,248	66,944
Labor	270,973	274,493
Lands & forests	1,890,020	1,303,039
Legislation	270,314	257,238
Lieutenant-Governor	12,460	9,217
Mines	319,660	259,079
Municipal affairs	63,053	77,826
Northern development	1,407,475	2,290,099
Prime Minister	153,896	160,817
Provincial auditor	112,577	112,341
Provincial secretary	863,327	740,907
Provincial treasurer	962,165	784,193
Public welfare	5,005,388	4,507,892
Public works	565,698	552,120
Miscellaneous	54,239	98,392
Public debt	20,543,990	21,287,759
	57,904,444	57,256,322
Relief	13,270,057	21,813,368
	71,174,501	79,069,690

BELLEVILLE

Belleville, located in the middle of a mixed farming and dairying district in eastern Ontario, has financed its relief costs during the depression years out of current revenue. In 1936 the city's share of relief costs was $20,367 lower than in 1935.

During the past four years Belleville has reduced its net debenture debt by $484,840. In 1936 the reduction amounted to $136,840. Floating indebtedness was reduced by $32,000 in 1936.

Tax collections showed improvement in 1936, outstanding arrears being reduced by $13,406. Collections of current taxes were better, amounting to 77.4% of the levy as compared with 76.1% in the previous year.

Population: Present, 14,578; five years previously, 13,914. Area, 1,800 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 653,063
Expenditure	654,697
Assessed value for taxation	10,242,149
Exemptions not included	3,860,365

Tax rate, 1936: General, 21 6/10; debenture, 5 1/10; school, 18 8/10; total, 50 mills.

Assets and Liabilities

Value of assets	$4,220,593
Total debenture debt	3,013,640
Total sinking fund	907,983
Other liabilities	132,255

Debenture Debt

	Gross debt	Sink. fund on hand
Public utilities	$ 835,900	......
Schools	904,384	$186,203
Local improvements:		
Ratepayers' share	849,102	603,781
City's share	490,625	
General	433,628	117,998
Total	3,013,640	907,983

Bonds guaranteed $197,003.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$33,102	$14,337
Electric light	41,143	35,002

*After operating charges only. †After depreciation, operating charges, interest and sinking fund.

BRANTFORD

The city of Brantford had an excess of revenue over expenditure of $4,198 in 1936 compared with $50,211 in 1935. Accumulated tax arrears, however, increased by $6,565 in the year to $650,979.

Bank loans have been reduced to $200,000 from $421,000 and net debenture debt is $146,082 lower at the end of 1936 as compared with the end of 1935.

Population: 1936, 31,382; five years ago, 30,724. Area, 3,292 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,362,020
Expenditure	1,357,822
Assessed value for taxation	27,107,775
Exemptions not included	6,014,350

Tax rate 1936: Schools, 12.49557; general, 31.00443; total, 43½ mills.

Total tax arrears, $650,979; last year's levy, $1,239,947; uncollected, $255,054.

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,432,258	$375,733
Local improvements:		
Ratepayers' share	577,021	133,790
City's share	567,556	19,717
Schools	601,280	199,110
General	1,977,092	196,169
Total	5,155,207	924,519

Bonds guaranteed, $15,000.
Ont. Housing Comm. loan, $112,508.

Liabilities

Total debenture debt	$5,155,207
Total sinking fund	924,519
Bank loans	200,000

Public Utilities

	*Net earnings	†Net profits
Waterworks	$107,413	$15,996
Street railway	3,949	‡33,854
Hydro-electric	77,238	11,318

*After operating charges only. †After operating charges, interest and sinking fund charges. ‡Deficit.

BROCKVILLE

Brockville continues to improve its financial affairs, through reduction of its debenture debt. Debentures outstanding were reduced by $73,440 in 1936, compared with a reduction in 1935 of $72,682.

Brockville owns its own gas, electric and water distribution systems, all of which show a profit. Debentures against these systems have all been paid off.

Collections of current taxes amounted to 86.7% of the levy, compared with 86.5% in 1935.

Population: Present, 9,818; five years ago, 9,432. Area, 1,374 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 417,762
Current expenditure	417,537

Total tax arrears, $66,909; last year's levy, $350,456.

Assets and Liabilities

Value of assets	$1,922,949
Total debenture debt	574,187
Bank loans	78,902

Debenture Debt

	Debentures outstanding
Local improvements	$266,762
General	62,452
School	244,973
Total	$574,187

Public Utilities

	†Net profits
Waterworks	$ 6,148
Electric light	17,993
Gas	1,281

†After operating expenses, interest and sinking fund charges.

CHATHAM

Chatham operates under a city management type of government and enjoys a very strong financial standing, its per capita debt being among the lowest of the cities of Canada.

In 1936 the city had a surplus of $1,113. Collections of current taxes amounted to 78.3% of the levy, com- with 74.4% in 1935.

The auditors' report for 1936 is not available as yet.

Population: Present, 15,957; five years ago, 16,441. Area, 1,650 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Cash receipts	$1,022,247
Disbursements	1,003,132
Assessed value for taxation	14,435,444

Tax rate, 1935: 34 mills.

Total tax arrears, $264,455; last year's levy, $525,668; uncollected, $134,784.

Assets and Liabilities

Value of assets	$2,701,398
Total debenture debt	783,176

Debenture Debt

General	$198,438
Local improvements	225,831
Hydro-electric	219,022
Waterworks	63,200
Schools	76,685
	$783,176

CORNWALL

Careful management has enabled the town of Cornwall, eastern Ontario industrial centre, to build up a strong current and capital position. At the end of 1936 the town had no bank loans and current assets were well in excess of current liabilities.

Debenture debt is not large, amounting to $787,830, which is a reduction of $26,913 from the previous year.

Tax collections improved for the third successive year, accumulated arrears being reduced from $117,569 to $95,729.

Population: Present, 12,681; five years ago, 11,082. Area, 709 acres.

Income and Assessment
Years Ended Dec. 31, 1936

Current revenue	$ 145,538
Current expenditure	139,775
Assessed value for taxation	9,586,205
Exemptions not included	1,580,400

Tax rate, 1936: General, 19½; public school, 6½; separate school, 12 mills.

Total tax arrears, $95,729; last year's levy, $284,076; uncollected, $59,215.

Assets and Liabilities

Value of assets	$1,326,592
Total debenture debt	787,830

Debenture Debt

	Debentures Outstanding
Public utilities	$ 162,721
Local improvements	401,075
School	215,448
Other	8,586
	$787,830

Public Utilities

	*Net earnings	†Net profits
Waterworks	$36,265	$19,,334

†After operating expenses, interest and sinking fund charges. *After operating charges only.

ETOBICOKE TOWNSHIP

Etobicoke Township is paying interest in full but has been in default on debenture principal since June 1, 1933. Debenture principal in default at the end of 1936 amounted to $574,780. Debenture debt which had not fallen due amounted to $2,842,072, of which $792,666 was owed to the township by the village of Long Branch.

In 1936 the township had a surplus of $10,566 after providing $50,000 for uncollectible taxes.

A plan of refinancing for the township is under discussion. The plan contemplates payment of interest in full, the only adjustment being a four-year extension to maturities.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 551,291
Current expenditure	540,724

Assets and Liabilities

Value of assets	$3,093,570
Total debenture debt	*3,416,853

* Of which village of Long Branch owes $792,666. Of the total debenture debt $574,781 has matured but is unpaid.

Debenture Debt

	Deb's. Outstanding
Public utilities	$1,643,514
Local improvements	291,984
Schools	738,227
Other	168,347
Total	*2,842,072

* Amount unmatured at Dec. 31, 1936.

FORT ERIE

Fort Erie is in default on both debenture interest and principal. Principal was first defaulted on Sept. 1, 1934, and interest on Dec. 1, 1934. The town is under the supervision of the Ontario Department of Municipal Affairs, and to date no refinancing plan has been evolved.

Debenture interest and principal due and unpaid as at Dec. 31, 1936, amounted to $401,225, of which $353,457 has been levied for and $47,767 has not been levied. This amount does not include the overdue principal or interest on debentures which have not been sold but which are held by the banks as collateral security for loans.

Unsold debentures held by the banks total $192,754, of which $29,467 have matured. These debentures are security for bank loans of $185,157 on which no interest has been paid since Dec. 1, 1934. Unmatured debenture debt amounts to $1,296,347.

Cash in the bank, which may be regarded as a reserve against defaulted interest and principal, amounted to $228,888 at Dec. 31, 1936.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 402,794
Current expenditure	436,595
Assessed val. for tax (general)	5,086,620
Do., val. (school and relief)	5,224,780

Tax rate, 1936: General, 17; county, 11; relief, 5; high school, 3; school, 12; total, 48 mills.

Total tax arrears, $181,020; last year's levy, $299,776; uncollected, $60,871.

Assets and Liabilities

Value of assets	$2,005,647
Total debenture debt	*1,526,611
Bank loans	185,156

*Includes $230,265 principal due but unpaid.

Debenture Debt

	Debentures outstanding
General	$ 173,809
Waterworks	111,496
Schools	388,376
Local improvements	852,930
Total	1,526,611

Public Utilities

	*Net earnings	†Net profits
Waterworks	$30,549	$744

*After operating charges only. †After operating expenses, interest and sinking fund charges.

FORT WILLIAM

Fort William reports substantial improvement in its financial affairs in 1936. At the end of 1935 sinking fund was in arrears to the extent of $713,746. For $400,000 of this shortage the fund held the city's note on account of tax sale lands. No provision had been made for the additional $313,746. During 1936 the deficit in the sinking fund was provided for.

Population: Present, 24,475; 5 years ago, 24,470. Area, 8,634 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue (est.)	$1,600,000
Current expenditure (est.)	1,575,000
Assessed valuation	29,596,432
Exemptions, not incl. above	3,413,907

Last year's tax levy, $1,316,827; uncollected, $175,421; tax arrears, $395,283.

Tax rate, 1936: Schools, 15.7414; other, 26.2586; total 42 mills.

Assets and Liabilities

Value of assets (est.)	$11,600,000
Total debenture debt	7,524,684
Total sinking fund	3,787,785

Debenture Debt

	Deb's. outstand.	Sink. fund required
Public utilities	$2,887,193	$1,851,570
Installment debs.	120,392	......
Local improvements:		
Ratepayers' share	880,539	848,438
City's share	694,268	......
General	1,277,909	......
Schools	1,784,775	1,087,746
Commutation taxes	......	30
Total	7,524,684	3,787,785

Bonds guaranteed, $442,007.

Public Utilities

	Gross revenue	†Net profits
Waterworks	$112,389	$13,445
Telephone	45,139	23,000
Street railway	‡6,522	‡66,013

† After depreciation, operating charges, interest and sinking fund charges.
‡ Deficit.

GALT

Galt, western Ontario industrial centre, maintained its reputation in 1936 as one of the best managed cities in the Dominion. Not only did it have a surplus on current operations but it reduced its net debenture debt by $179,374, bringing the total reduction since 1927 to $1.3 million.

Relief costs were reduced during the year. For the first time the city's share of unemployment relief was paid out of the tax rate. In previous years the city's share was paid out of a community relief fund which was raised by private subscription.

For 1937 the tax rate has been reduced 1½ mills to 40½ mills, the lowest rate the city has enjoyed since 1921.

Population: Present, 14,119; five years previously, 14,036. Area, 1,886½ acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 711,865
Expenditure	711,619
Assessed value for taxation	10,925,785
Exemptions not included	2,647,045

Total tax arrears, $143,840; last year's tax levy, $522,378; uncollected, $63,690.

Tax rate, 1936: General, 18.3201; debenture, 10.7453; school, 12.9346; total, 42 mills.

Assets and Liabilities

Value of assets	$3,716,892
Total debenture debt	2,311,454
Total sinking fund	734,351
Bank loans	182,371

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 543,699	$253,437
Local improvements:		
Ratepayers' share	401,593	145,780
City's share	805,302	292,392
School	220,510	......
General	305,276	20,127
Industrial loans	35,074	22,616
Total	2,311,454	734,352

Guaranteed bonds (housing) $4,312.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$41,825	$2,501
Electric light	64,283	9,053

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

GUELPH

Guelph reduced its net debenture debt in 1936 by $167,219 to $1,787,117, bank loans by $6,000 and other liabilities by $30,000.

Tax collections showed marked improvement. Accumulated tax arrears were reduced during the year by $48,991 to $555,013. Collections of current taxes amounted to 76% of the levy, compared with only 69% of the levy collected in 1935.

Except for the radial railway, all of the city's utilities showed a profit on 1936 operations.

Current expenditures exceeded current revenue by $14,969.

Population: 1936: 21,455; five years ago, 20,754. Area, 3,200 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,027,003
Expenditure	1,041,972
Assessed value for tax	13,885,077
Exemptions not incl. above	2,798,115
Accumulated tax arrears	555,013
Last year's tax levy	842,365
Amount uncollected	202,017
Reserves for taxes	134,970

Tax rate: General, 34.60; school, 15.15; total, 49.75 mills.

Assets and Liabilities

Value of assets	$6,654,240
Total debenture debt	3,636,817
Total sinking fund	1,849,700
Bank loans	238,000
Other liabilities	40,800

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$445,782	$312,419
Local improvements:		
City's share	306,779	162,799
Ratepayers' share	709,885	485,785
General	1,619,964	538,845
Schools	554,407	349,852
Total	3,636,817	1,849,700

Total guaranteed bonds, $300,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$52,175	$907
Electric light	38,541	22,761
Gas	14,219	2,313
Junction railway	24,581	24,381
Radial railway	‡8,489	‡42,267

*After operating charges only. †After depreciation, operating expenses, interest and sinking fund on debt. ‡Deficit.

HAMILTON

Hamilton finances showed further improvement in 1936. Net debenture debt was reduced $365,452 in 1936, while the city reported for the first time since 1930 an excess of current revenue over expenditures amounting to $5,311.

The city sold a debenture issue of $2,482,673 on May 27, 1937, at an average cost to the city of 3.65%, indicating a sound credit position.

Tax arrears were reduced to $2,488,555 at the end of 1936, a reduction of $347,218 during the year. Bank loans of $2,731,386 at Dec. 31, 1936, were substantially lower than the $4 millions reported at the end of 1935, of which $2.7 millions was on capital account.

Population: Present, 153,608; 5 years ago, 154,701. Area, 9,496.3 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$8,781,972
Expenditure	8,776,661
Assessed value for taxation	168,246,817
Exemptions	30,863,850

Tax rate, 1936: General, 11.35; debentures, 14.65; public school, 13.25; separate school, 15.25; total public school supporter, 39.25; total separate school supporter, 41.25.

Total tax arrears, $2,488,555; last year's levy, $7,020,769; amount uncollected, $1,255,702.

Assets and Liabilities

Value of assets	$63,981,816
Total debenture debt	28,315,274
Total sinking fund	613,986
Bank loans	2,731,386
Other liabilities	7,706,336

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$6,762,789	$ 602,718
Local improvements:		
Ratepayers' share	1,314,428	......
City's share	1,429,526	......
General	14,688,746	11,268
School	4,129,785	......
Total	28,315,274	613,986

Public Utilities

	*Net earnings	†Net profits
Waterworks plant	$ 527,188	$ 98,707
Electric light plants	766,213	172,425

*After operating charges only. †After depreciation, operating charges, interest and sinking fund charges. No depreciation charged against waterworks.

KINGSTON

In recent years Kingston has improved its already strong financial position. The auditors' report for 1936 is not available as yet.

Population: Present, 24,003; five years ago, 21,633. Area, 2,127 acres.

Income and Assessment
Year Ended Dec. 31, 1934

Revenue	$ 940,249
Expenditure	950,300
Assessed value for taxation	20,165,668
Exemptions not included	7,795,970

Tax rate, 1934: General, 27.11; schools, 14.78; relief, 5.11; total, 47 mills.

Total tax arrears, $164,779; last year's tax levy, $922,604; uncollected, $107,037.

Assets and Liabilities

Value of assets	$4,996,106
Total debenture debt	3,513,143
Total sinking fund	1,329,814
Net funded debt	2,183,329

Municipal Utilities

	*Net profit
Combined operations	$117,980

*After expenses, interest and sinking fund charges.

KITCHENER

Kitchener, western Ontario industrial centre, continues to improve its financial position. In 1936 the city reduced its debenture debt by $101,364 and its bank loans by $100,600. Since 1932 debenture debt has been reduced by $658,062. Of a gross debenture debt of $3,880,317, the portion to be met by taxation amounts to $2,578,945 and self sustaining debt to $1,301,372. During 1936 the debt to be met by taxation increased by $78,174 and the self-sustaining debt decreased by $179,538.

Collections of current taxes improved in 1936, receipts amounting to 86.8% of the levy. This compares with a percentage collection of 86.0% in 1935.

Population: Present, 32,862; 1931, 31,443. Area, 3,477 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,369,171
Expenditure	1,365,938
Assessed value for taxation	25,664,546
Exemptions not included	3,415,189

Tax rate, 1936: General, 17.095; debentures, 9.684; schools, 15.471; total, 42.25 mills.

Accumulated tax arrears, $416,582; last year's tax levy, $1,263,683; uncollected, $166,596.

Assets and Liabilities

Value of assets	$6,652,747
Total debenture debt	3,880,317
Bank loans	352,000
Other liabilities	160,646

No sinking fund.,

Debenture Debt

Public utilities	$ 495,383
Local improvements:	
Ratepayers' share	805,989
Municipality's share	268,663
General	1,425,990
School	884,292
Total	$3,880,317

Public Utilities

	*Net earnings	†Net profits
Waterworks	$65,600	$ 5,606
Electric plant	94,518	34,944
Gas plant	39,542	2,437
Street railway	25,306	‡1,039

*After operating charges only. †After operating expenses, interest on debenture debt. ‡Deficit.

(Continued on page 17)

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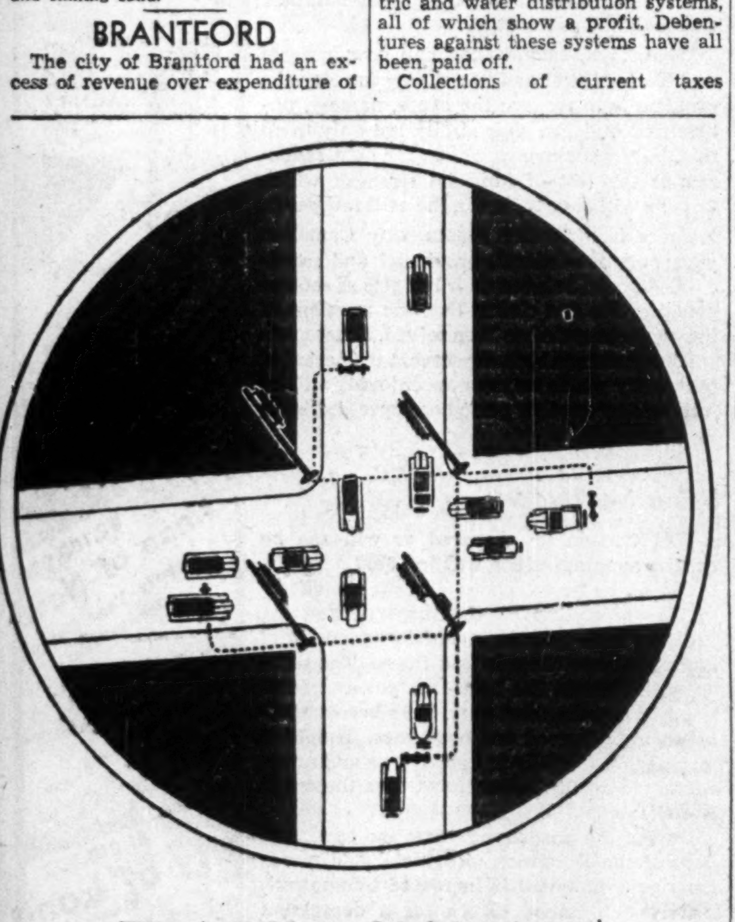

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(Continued from page 16)

LEAMINGTON

Leamington paid interest in full up to the end of 1936, but has been in default of debenture principal since May, 1934. Interest since Jan. 1 of this year has been deferred pending the submission of a refinancing plan by the fiscal agent, C. W. McDiarmid, who was appointed late last year.

Refinancing, it is expected, will be carried out this year and should merely involve an extension of maturity dates. Principal due and unpaid as at Dec. 31, 1936, amounted to $189,396. Cash on hand amounted to $115,047.

Last year's tax levy $173,198; uncollected, $34,489; total accumulated tax arrears, $80,028.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 216,625
Expenditure	210,102

Assets and Liabilities

Value of assets	$1,221,928
Total debenture debt	*1,008,020

*Of which $189,397 had matured but was unpaid at Dec. 31, 1936.

Public Utilities

	*Net Profits
Waterworks	$ 5,687
Gas	3,686

*After operating expenses.

LONDON

London improved its financial position in 1936 through substantial reduction in bank loans and net debenture debt. Bank loans at $1.3 millions are $600,000 lower than at the end of 1935 and net debenture debt at $8.8 millions is down $416,000. Included in bank loans is $432,534 borrowed for capital purposes in anticipation of debenture issues.

Deficit of the London and Port Stanley Electric Railway in 1936 is estimated at $211,784, which is a reduction from the previous year.

The city may have to abandon its pay-as-you-go policy. Unforeseen expenditures arising out of damage done by spring floods have necessitated sale of a $150,000 debenture issue.

Population: 1936, 76,252; 1928, 64,293. Area, 7,231 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Assessed value for tax	$83,192,803
Exemptions not included	11,532,440
Revenue (est.)	4,424,772
Expenditure (est.)	4,424,772

Tax rate, 1936: School, 14.7536; other, 24.7464; total, 39.50 mills.

Total tax arrears, $1,184,513; tax levy, $3,560,561; uncollected, $630,195.

Assets and Liabilities

Value for assets (1935)	$20,706,864
Total debenture debt	11,467,969
Total sinking fund	2,624,549
Guaranteed bonds	180,000
Bank loans	1,344,648

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,807,802	$1,147,544
Local improvements:		
City's share	199,560	......
Ratepayers' share	555,064	......
Schools	2,354,617	630,654
General	4,550,926	846,351
Total	11,467,969	2,624,549

Public Utilities

	*Net earnings	†Net profits
Waterworks	$199,136	$77,984
Electric light	274,733	53,215
Railway	17,917	‡211,784

*After operating expenses only. †After oper. chgs., deprec., int. and sink. fund. ‡Deficit.

MIDLAND

The town of Midland first defaulted on principal and interest in September, 1934. The town is under the supervision of the Ontario Municipal Board, but no plan has yet been considered for refinancing the municipality's debts.

The town's current revenue was $39,693 in excess of current expenditures in 1936. Tax arrears have increased from $153,785 to $159,240, but bank loans, which amounted to $60,548 at the end of 1935, have been entirely repaid by the end of 1936.

Population: Present, 6,690; five years ago, 6,808. Area, 1,500 acres.

Income and Assessment

Current revenue	$ 252,496
Current expenditure	212,803
Assessed value for taxation	5,683,943
Exemptions not included	1,288,045

Tax rate, 1936: General, 42.6; school, 3.4; total, 46 mills.

Total tax arrears, $159,239; last year's levy, $266,042; uncollected, $61,490.

Assets and Liabilities

Value of assets	$1,326,357
Total debenture debt	*1,477,047
Total sinking fund	15,831

*Includes principal in default, $182,871.

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 167,346	$58,204
Local improvements:		
Ratepayers' share	25,723	......
City's share	718,893	3,757
General	214,685	2,318
School	167,530	......
Total	*1,294,177	64,279

*Unmatured debt only.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$14,607	$1,190
Electric light	8,789	4,411

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

NIAGARA FALLS

Niagara Falls has been in default on principal of its bonds since Dec. 1, 1933. Bonds past due at the end of 1936 amounted to $963,013, against which the city has built up a substantial cash reserve.

Refinancing of the city's debt will, it is expected, be carried out this year. As the city has paid interest in full it is expected that the refinancing plan will merely involve an extension of maturity dates of outstanding bonds.

Current revenue exceeded current expenditures by $19,050 in 1936.

Population: Present, 18,747; five years ago, 18,507. Area, 1,934 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,416,348
Expenditure	1,397,293
Assessed value for taxation	18,497,867
Exemptions not included	8,268,730

Tax rate, 1936: School, 12.19; other, 26.81; total, 39 mills.

Total tax arrears, $370,809; amount uncollected, $177,668; last year's tax levy, $838,803.

Assets and Liabilities

Value of assets	$4,456,552
Total debenture debt	3,283,180
Bank loans	126,466

No sinking fund.

Debenture Debt

	Deb's. outstand.	Defaulted principal
Public utilities	$ 803,767	$160,310
Local improvements:		
Ratepayers' share	432,790	367,938
City's share	214,601	187,762
Schools	377,558	97,541
Other	491,450	149,462
	2,320,166	963,013

NORTH BAY

North Bay is operating under the supervision of the Department of Municipal Affairs although the city is not in default. Early in 1935 the city found it necessary to refund $50,000 of maturing debentures for a period of five years in order to tide it over a critical situation.

In 1935 there was improvement in the financial affairs of the city. Accumulated tax arrears declined by $9,000 to $366,665 and debenture debt was reduced by $183,201 to $2,428,271.

Population: Present, 15,207; five years previously, 16,236. Area, 2,100 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 248,078
Current expenditure	267,460
Assessed val. for taxation	9,539,498
Exemptions not included	2,134,550

Tax rate, 1936: Public school, 59; separate school, 65.7 mills.

Total accumulated tax arrears, $366,665; amount of last year's tax levy, $645,437; uncollected, $156,349.

Assets and Liabilities

Value of assets	$2,927,505
Total debenture debt	2,428,271
Current liabilities	388,481
Other liabilities	110,752

No sinking fund.

Debenture Debt

Public utilities	$ 355,105
Local improvements:	
Ratepayers' share	498,787
Municipality's share	720,849
General	343,294
School	497,563
Other	12,673
Total	$2,428,271

Public Utilities

	*Net profit
Waterworks	$13,383

*After operating expenses, interest and sinking fund charges.

ORILLIA

Collections of current taxes at $238,722 were higher than in 1935. A higher tax rate, however, accounted for the increase since the percentage of the levy collected was actually slightly lower.

Population: Present, 8,808; five years ago, 8,352. Area, 2,500 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 433,065
Current expenditure	429,463
Assessed value for taxation	4,877,929
Exemptions not included	993,925

Tax rate, 1936: General, 32.3; debenture, 8.8; school, 13.4; total, 54.5 mills.

Total tax arrears, $110,951; last year's levy, $301,601; uncollected, $62,879.

Value of assets	$2,105,374
Total debenture debt	1,260,126
Sinking fund	21,044

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$621,452	......
Local improvements:		
Ratepayers' share	178,527	......
Municipality's share	196,859	......
General	146,398	......
School	116,890	$21,044
Total	1,260,126	21,044

Public Utilities

	*Net earnings	†Net profits
Waterworks	$35,488	$4,884
Electric light	8,766	4,005

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Orillia's debenture debt, issued for purposes other than public utilities, declined by $58,369 in 1936. Public utility debenture debt, on the other hand, increased by $64,042 so that there was a net increase of $5,673 in the total amount of debentures outstanding.

OSHAWA

Oshawa, the home of General Motors of Canada and other important industries, has reduced its debenture debt by $1.6 million in the past four years. The reduction in 1936 amounted to $328,129.

Tax collections in 1936, including arrears, amounted to $931,870. This is equivalent to 105.2% of the levy, but the actual amount collected is lower than in 1935 since the tax rate was lower.

Population: Present, 24,692; five years ago, 22,444. Area, 3,356 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 972,810
Expenditure	1,056,190
Assessed value for taxation	15,582,600
Exemption, not incl. above	1,763,310

Tax rate, 1936: General, 16.5; debenture, 9.2; school, 20.3; total, 46 mills.

Total tax arrears, $416,154; last year's levy, $885,773; uncollected, $215,037.

Assets and Liabilities

Value of assets	$4,942,004
Total debenture debt	3,322,291
Bank loans	667,000
Other liabilities	55,098

No sinking fund.

Debenture Debt

	Debentures Outstanding
Public utilities	$ 853,684
Local improvements:	
Ratepayers' share	830,822
Municipality's share	540,481
General	351,219
Schools	794,485
Other	95,109
Total	$*3,465,801

*Includes unsold debentures of $208,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 87,340	$ 7,474
Electric light	80,483	47,490

*After operating charges only. †After depreciation, operating charges, interest and sinking fund on debt.

OWEN SOUND

Owen Sound has one of the strongest financial positions of the smaller Ontario cities, marked improvement being recorded in 1936.

During the year, the city reduced its net debenture debt by $272,881 to $503,138. The reduction in the past four years has been $480,000. Bank loans of $40,000 at the end of 1936 were for capital purposes.

The city enjoys an excellent tax collection record. Receipts of current taxes in 1936 amounted to 85.8% of the levy compared with 84.2% in 1935.

Revenue and expenditure account shows a surplus of $34,000 in 1936.

Population: Present, 13,162; five years ago, 12,673. Area, 2,909 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 580,556
Expenditure	546,303
Assessed value for taxation	8,456,682
Exemptions not included	2,519,329

Tax rate, 1936: General, 16.4; debenture, 12.7; school, 18.9; total, 48 mills.

Total tax arrears, $96,290; last year's levy, $400,419; amount uncollected, $56,945.

Assets and Liabilities

Value of assets	$2,540,881
Total debenture debt	1,420,286
Total sinking fund	917,148
Bank loans	40,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 75,000	$ 31,402
Local improvements:		
Ratepayers' share	160,962	73,408
City's share	279,814	128,464
General	647,510	547,708
School	242,000	136,166
Total	1,420,286	917,148

Bonds guaranteed, $6,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$39,293	$ 8,139
Electric light	25,414	17,814
Gas	3,961	‡4,361

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Loss.

OTTAWA

Ottawa, the capital city of the Dominion, enjoys a strong financial position. Its tax collections are among the best in the Dominion.

Being the seat of the Federal Government there is unusual stability of income among taxpayers. Last year there was 87.5% of the levy collected, compared with 87.3% in 1935. Accumulated tax arrears were reduced during the year by about $100,000 to $1,279,035. Improvement in tax collections has continued into the current year.

Net debenture debt was reduced during 1936 by $1,032,811 to $17,830,566. Bank loans at $2,025,000 at $145,000 lower.

Relief expenditures exceeded estimates in 1936 and a further increase is expected in 1937 due to reduction in grants from the Provincial and Federal Governments.

Population: Present, 140,316; five years previously, 127,332. Area, 6,151 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$7,061,581
Expenditure	6,960,121
Assessed val. for taxation	152,134,826
Exemptions not included	81,485,693

Tax rate, 1936: General, 19.78; debenture, 7.97; school, 11.24; total, 39 mills.

Total tax arrears, $1,279,035. Last year's tax levy, $6,424,196; amount uncollected, $803,232.

Assets and Liabilities
(As at Dec. 31, 1936)

Value of assets	$35,489,228
Total debenture debt	22,935,652
Total sinking fund	5,105,087
Bank loans	2,025,000
Other liabilities	563,804

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$6,393,489	$2,444,878
Schools	3,647,097	1,122,454
Local improvements	2,513,919	168,266
General	10,381,147	1,369,488
	22,935,652	5,105,086

Public Utilities

	*Net earnings	†Net profits
Waterworks	$488,709	$48,349
Electric light	222,710	90,995

*After deducting operating expenses only. †After deducting operating expenses, interest and sinking fund charges.

PETERBOROUGH

Peterborough reduced its net debenture debt by $240,000 in 1936 and its bank loans by $38,000. Since 1932 net debenture debt has been reduced about $700,000. Tax collections improved in 1936.

Population: Present, 23,072; 5 years previously, 22,798. Area, 2,850 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,081,430
Expenditure	1,077,344
Assessed value for taxation	24,483,885
Exemptions not included	3,774,715

Tax rate, 1936: General, 17.39; debenture, 10.04; school, 9.97; total, 37.4 mills.

Total tax arrears, $264,971; last year's tax levy, $923,791; amount uncollected, $121,091. Tax reserve, $55,110.

Assets and Liabilities

Value of assets	$5,679,767
Total debenture	4,518,349
Total sinking fund	2,111,136
Bank loans	204,805

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,547,080	$ 627,052
Local improvements:		
Ratepayers' share	544,693	317,152
City's share	518,544	323,449
General	1,908,031	843,483
Total	$4,518,348	$2,111,136

Public Utilities

	*Net earnings	†Net profits
Waterworks	$56,884	$ 944
Electric light	91,060	31,666
Gas	19,943	‡6,405

* After operating charges only. † After operating charges, interest and sinking fund charges. ‡ Deficit.

(Continued on page 18)

Power Output

MONTREAL.—Canada Northern Power Corp. output for April amounted to 52.7 million kw.h., compared with 47.9 million kw.h. for the same month a year ago.

Cumulative returns for the first four months of 1937 show an aggregate power output of 209 million kw.h., an increase of 15.6 million kw.h. over the same period of last year.

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SPEEDS UP MUNICIPAL TAX BILLING and COLLECTING

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. . . for Tax Billing . . . Ledger Posting . . . Tax Receiving in combination

● Designed to speed up the detail work of issuing Municipal Tax Bills, and to provide more accurate and complete control over Tax Collections, the National Cash Register Company has developed a special type of machine for this purpose.

One of the most recent installations of these machines was in the Corporation of the Town of New Toronto—with results which have surpassed even the most optimistic expectations. Some of the advantages experienced are:

Time Saved

As soon as the Tax Rate for the year has been struck, the machine prints in one operation complete information on Tax Roll, Ledger Card, and Taxpayer's Bill, showing tax items, instalment payments and total tax balance. There can be no chance of discrepancies such as so often occur when such work is done in several operations. The transferring of arrears' balances has always been a problem that has caused considerable clerical time and expense. The National method reduces this time at least 90%.

Delay in Mailing Tax Bills Eliminated

Tax Bills can be in the mail much earlier than when made out by older methods, because every entry in the machine is automatically proved, and the recording becomes a simple listing operation.

Accounts Always in Balance

As payments are made on Taxes, the amounts received are posted—by one operation—to Tax Bill, Ledger Card and Cash Receipt Journal. Totals of all transactions are summarised by the Machine on the Cash Receipt Journal and also posted to the control.

Disputes Avoided

Because of the positive mechanical operation, errors in posting credits to tax accounts, are eliminated. Taxpayers' records are always up-to-date. Goodwill for the municipality is constantly being strengthened.

Receipts Safeguarded

The Safeguarding and absolute control of Public Funds is of paramount importance to every Municipality. But to err is human; and hand and brain, however well-meaning, are bound to make occasional mistakes — mistakes that sometimes prove very costly. This National Accounting System absolutely and mechanically safeguards every avenue of possible error and loss — protecting Taxpayers, Employees and the Municipality.

Wherever money is handled or records kept, National Cash Register equipment will do the work with greater speed and accuracy than any other method; and at the same time provide absolute control in every department. A National representative will gladly discuss with you this question of modern control — at your convenience.

THE NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
Head Office and Factory : Toronto
Branches in all the Principal Cities

Province of Ontario

(Continued from page 17)

PORT ARTHUR

Port Arthur improved its financial position in 1936, tax collections exceeding the amount of the levy. Collections of current taxes and of arrears both recorded improvement. The auditors' statement for 1936 is not available as yet.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 1,046,053
Expenditure	1,042,253

Total tax arrears, $539,353; last year's tax levy, $1,032,081; uncollected, $149,900.

Assets and Liabilities

Value of assets	$11,339,089
Total debenture debt	5,326,207
Total sinking fund	2,752,787
Bank loans	463,282
Other liabilities	167,245

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$2,528,741	$1,440,927
Local improvements	558,470	300,393
General	1,092,086	619,857
School	1,146,910	391,610
Total	$5,326,207	$2,752,787
Guaranteed bonds	$ 351,116	

PEMBROKE

Population: Present, 10,277; five years ago, 9,729. Area, 1,900 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Revenue	$ 291,194
Expenditure	240,220
Assessed value for tax	5,387,288
Exemptions not included	1,923,060

Tax rate, 1935: General, 33.5; school, 12.5; total, 46 mills.

Total tax arrears, $137,456; last year's levy, $264,137; uncollected, $70,338.

Assets and Liabilities

Value of assets	$718,704
Total debenture debt	665,762
Total sinking fund	71,144
Sinking fund in arrears	3,230
Bank loans	53,000
Other liabilities	199,705

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$238,446	$71,144
Local improvements:		
Ratepayers' share	25,005	......
City's share	23,603	......
General	110,232	......
School	339,621	......
Total	$736,907	$71,144

Public Utilities

	*Net earnings	†Net profits
Waterworks	$26,103	$4,551

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

SARNIA

The financial position of Sarnia continues to show improvement. Collections of current taxes in 1936 were equivalent to 77.3% of the levy, compared with 74.2% in 1935 and 70.9% in 1930. Improvement in tax collections continued during the first four months of 1937.

The auditors' report is not available as yet.

Population: Present, 17,856; five years ago, 17,540. Area, 1,770 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$1,020,638
Current expenditure	1,018,820
Assessed value for taxation	17,741,777
Exemptions not included	2,110,600

Tax rate, 1935: General and debenture, 25.21; school, 14.79; total, 40 mills.

Total tax arrears, $437,310; last year's tax levy, $747,152; uncollected, $192,075.

Assets and Liabilities

Value of assets	$4,322,994
Total debenture debt	1,970,366
Bank loans	203,000
Other liabilities	119,690

Debenture Debt

	Debentures outstanding
Public utilities	$ 386,621
Local improvements:	
Ratepayers' share	78,387
City's share	59,094
General	495,410
School	333,213
Sarnia Elevator Co.	617,640
Total	$1,970,366

SAULT STE. MARIE

Sault Ste. Marie reports an increase in net debenture debt of $70,809 in 1936. Bank loans remained stationary at $70,000. Collections of current taxes amounted to 76.8% of the levy.

Population: Present, 23,387; five years ago, 21,766. Area, 4,900 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 906,182
Current expenditure	903,629
Assessed value for taxation	19,324,221
Exemptions not included	4,615,965

Total tax arrears, $380,093; last year's tax levy, $793,048; uncollected, $183,210.

Liabilities

Total debenture debt	$3,075,962
Total sinking fund	1,408,407
Bank loans	70,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 635,000	$ 401,833
Local improvements:		
Ratepayers' share	477,015	243,034
Municipality's share	320,494	162,022
General	1,134,530	483,671
School	508,922	117,847
Total	$3,075,961	$1,408,407

Bands guaranteed by city, $68,725.

ST. CATHARINES

St. Catharines was able to continue to reduce both its gross and net funded debt in 1936. A total reduction has been made in net debenture debt of $978,136 in the past four years with the 1936 reduction being $165,310.

An excess of ordinary revenue over expenditures of $17,536 was reported for 1936. Bank loans were $264,000 at the end of 1936 against $307,000 a year earlier, while tax arrears were $498,395, a small reduction from the total shown at the end of 1935.

Population: Present, 27,006; five years ago, 26,192. Area, 2,400 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,210,651
Expenditure	1,193,115
Assessed value for tax. (1936)	24,164,272
Exemptions not included	4,883,980

Tax rate, 1936: General, 27; school, 15; total, 42 mills.

Last year's tax levy, $1,136,583; uncollected, $216,014; total tax arrears, $498,394.

Assets and Liabilities

Value of assets	$4,852,637
Total debenture debt	2,731,392
Total sinking fund	884,398
Temporary loans	264,000
Other liabilities	449,352
Sinking fund surplus	39,890

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 691,933	$307,044
Local improvements:		
Ratepayers' share	554,729	267,379
City's share	167,871	75,946
Schools	611,357	79,866
General debentures	705,502	114,163
	$2,731,392	$884,396

Funds guaranteed (hospital) $67,500.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$87,164	$24,095
Hydro-electric	72,461	31,431

*After operating charges only. †After operating expenses, interest and sinking fund charges.

ST. THOMAS

St. Thomas reports that its financial position continued to improve in 1936, net debenture debt being reduced by $150,365 to $1,174,922. This is a reduction of about $950,000 since 1929.

Improvement is also reported in bank loans, a reduction of $63,228 to $254,000.

Percentage of current taxes collected in 1936 amounted to 92.9% of the levy as compared with 82.1% in 1935. Improvement in collections has continued into 1937, 19.56% of the levy being collected in the first three months as compared with 15.55% in the same period of 1936. Total collections, including arrears, in the three-month period totalled $156,437 as against $139,002 in the first quarter of 1936.

Population: Present, 16,128; five years ago, 16,072. Area, 1,870 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 892,797
Current expenditure	890,792
Assessed value for taxation	14,983,300
Exemptions not included	2,679,585

Tax rate, 1936: General, 24.14; schools, 12.57; debenture, 4.04; total, 40.75 mills.

Total tax arrears Dec. 31, 1936, $353,504; amount of last year's tax levy, $658,510; uncollected, $112,176.

Assets and Liabilities

Value of assets	$4,053,203
Total debenture debt	1,174,922
Bank loans	254,000
Other liabilities	109,545

Debenture Debt

	Debentures outstanding
Public utilities	$ 301,473
Local improvements:	
Ratepayers' share	115,280
City's share	71,506
School	276,135
Other	410,528
Total	$1,174,922

Bonds guaranteed, $45,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$49,496	$ 27
Electric light & pwr.	28,614	13,261
Gas	14,008	6,365

*After operating expenses only. †After operating charges, interest and sinking fund charges.

STRATFORD

Stratford reports substantial improvement in its financial position in 1936, operations showing a surplus of $3,104 as compared with a deficit of $24,043 in 1935.

Bank loans were reduced during the year by $110,000 and net debenture debt by $101,877. Sinking fund is $47,539 in excess of requirements.

Tax collections were better. Accumulated tax arrears were reduced and collections of current taxes increased from 63.9% of the levy to 76.4%. Improvement in tax collections has continued into 1937.

The city's share of relief costs in 1936 were $69,137, compared with $108,322 in 1935.

Population: Present, 17,615; 1931, 18,869. Area, 2,835 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 745,994
Current expenditure	742,889
Assessed value for taxation	13,714,910
Exemptions not included	3,333,250

Tax rate, 1937: General, 20; debenture, 9; school, 16.3; total 45.3 mills.

Total tax arrears, $346,284; last year's tax levy, $713,358; uncollected $155,932.

Assets and Liabilities

Value of assets	$5,326,056
Total debenture debt	2,758,652
Total sinking fund	1,266,249
Bank loans	360,000
Other liabilities	71,520

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 583,330	$ 316,220
Local improvements:		
Ratepayers' share	470,847	363,506
Municipality's share	209,664	
General	1,028,848	358,954
School	465,963	187,530
Total	2,758,652	1,226,210

Bonds guaranteed by city, $35,000.

Public Utilities

	* Net profit
Waterworks	$12,172
Electric light	10,788
Gas	†69,436

* After operating charges, depreciation, interest and sinking fund on debt.

The city pays part of interest and installments re gas works. † Deficit.

SUDBURY

Sudbury has been in default on debenture principal since Oct., 1933. It is expected that refunding will be carried out in the current year. Since the city has been able to pay debenture interest in full, it is probable that refinancing will merely involve an extension of debenture maturity dates.

During the past three years Sudbury has improved its financial position substantially. In addition to reducing bank loans from $912,000 on Dec. 31, 1933, to $409,710 at Dec. 31, 1936, the city has set up substantial cash reserves against defaulted principal. At the end of 1936 the debenture principal past due amounted to $579,246. Total cash on hand amounted to $562,429 of which $338,747 was earmarked against past due debenture principal.

In 1936 there was substantial improvement in the city's tax collections. Receipts of current taxes increased from 71.3% of the levy in 1935 to 81.3% of the levy in 1936. Accumulated tax arrears were reduced during the year by $86,549.

Population: Present, 24,400; five years ago, 16,622. Area, 2,710 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 517,647
Current expenditure	513,450
Assessed value for tax.	12,865,419
Exemptions not included	3,027,450

Tax rate, 1936: General, 31,5; school, 15.5; total, 47 mills.

Total tax arrears, $433,673; last year's levy, $765,536; uncollected, $142,903.

Assets and Liabilities

Value of assets	$4,221,531
Total debenture debt	2,686,015
Total sinking fund	41,960
Bank loans	409,710

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 413,095	$ 36,878
Local improvements	1,275,996	5,082
General	709,648	......
Schools	287,276	......
Total	2,686,015	41,960

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 39,615	$ 8,500
Electric light	149,625	111,923

*After operating charges only. †After operating expenses, depreciation, interest and sinking fund on debt.

TECUMSEH

Tecumseh is in default on both interest and principal. Debenture principal was first defaulted Dec. 1, 1931, and the first default on interest came in January, 1932. The town is under the supervision of the Department of Municipal Affairs.

No plan has been evolved as yet for refinancing the town's debt, but present indications are that a drastic adjustment will be necessary. As at Dec. 31, 1936, there was $195,627 of debenture principal which was past due and $127,196 of interest coupons.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 107,067
Current expenditure	108,204
Assessed value for taxation	1,026,070

Tax rate, 1936: County, 5.40; general, 25.60; schools, 6; separate, 13 mills; 1936 tax levy, $45,345.

Assets and Liabilities

Value of assets	$886,567
Total debenture debt	*472,218

*Of which $195,628 has matured but is unpaid.

TORONTO

Toronto is suffering from the highest tax rate in its history, namely 35.7 mills, due to failure of the city council to curtail expenditures and to the policy followed throughout the depression of funding a portion of the unemployment relief costs. Ordinary maintenance expenditures of the city and board of education are up $860,000 and debt charges on relief debentures are $688,700 higher.

The city, however, enjoys the best credit rating of the larger Canadian cities. Net debenture debt declined in 1936 by $5.1 millions to $149.7 millions. Of a gross debenture debt of $176 millions, $92.2 millions is revenue producing and specially-rated. Only $85.6 millions of this revenue producing debt is entirely self-sustaining.

There are also $23.7 millions of Harbor Commission bonds which are guaranteed by the city and on which the city paid $1.1 million of debt charges in 1936.

Tax collections showed improvement in 1936, total accumulated arrears being reduced by $1.2 million to $8.8 millions. Collections of current taxes amounted to 83.9% of the levy compared with 82.1% in 1935.

Population: 1936, 645,462; five years ago, 627,231. Area, 25,966 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 40,266,345
Expenditure	39,882,020
Assessed value for taxation (1937):	
General	902,700,427
Public school	920,418,012
Separate school	53,786,582
Exemptions not included	159,954,055

Tax rate, 1937: General, 24.25; separate school, 15.35; public school, 11.45; total separate school, 39.60; total public school, 35.70.

Tax rate, 1936: General, 24.35, separate school, 15.05; public school, 10.50; total separate school, 39.40; total public school, 34.85.

Tax arrears, Dec. 31, 1936, $8,884,204; last year's tax levy, $34,618,721; uncollected, $5,543,136.

Assets and Liabilities

Value of assets	$191,565,583
Total debenture debt	176,066,410
Total sinking fund	26,349,550
Total liabilities and reserves	191,181,262

Debenture Debt

	Deb's. outstanding	Sink. fund on hand
Public utilities	$81,456,887	$13,886,236
Local improvements:		
Ratepayers' share	10,794,903	19,749
City's share	11,824,477	6,110
General	47,758,514	7,598,431
Schools	24,231,629	4,839,024
Total	176,066,410	26,349,550

Bonds guaranteed (not included above) $23,701,000.

Public Utilities
(Dec. 31, 1936)

	†Net loss
Waterworks	$ *912,217
Abattoir	4,752
Exhibitions	104,864
Island Ferries	42,971
Radial Rlys. in liquidation	220,716
Housing Commission	9,849
Harbor Commissioners	1,115,505
Royal Winter Fair	81,558

†After operating expenses, interest and sinking fund debt. *Profit.

TRENTON

Trenton is paying debenture interest in full but has been in default on debenture principal since Jan., 1934. The town is under the supervision of the Ontario Department of Municipal Affairs. No bondholders' committee has been formed as yet. Refinancing is not expected to involve any reduction in interest, but merely an extension of maturity dates.

Tax collections in 1936 showed improvement over 1935. Unemployment relief payments were reduced by $20,000.

Population: Present, 6,862; five years ago, 6,200. Area, 1,800 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 291,586
Expenditure	290,618
Assessed value for taxation	3,377,269
Exemptions not included	673,625

Tax rate, 1936: General, 21.5; debenture, 13.3; school, 17.3; total 52 mills.

Total tax arrears, $187,858; last year's levy, $205,048; uncollected, $67,820.

Assets and Liabilities

Value of assets	$768,532
Total debenture debt	832,518
Bank loans	*38,225

*Includes public utilities' bank loan of $23,000.

Debenture Debt

	Debentures outstanding
Public utilities	$167,812
Local improvements:	
Ratepayers' share	226,023
City's share	249,813
General	86,746
School	102,124
Total	$832,518

WATERLOO

Waterloo enjoys a sound financial position, its debenture debt being comparatively small. Per capita net debenture debt amounts to only $84.

An industrial centre and the home of the head offices of four insurance companies, Waterloo tax collections have been good during recent years. In 1936 current tax collections amounted to 88.6% of the levy. Accumulated tax arrears amount to only $80,039.

Population: Present, 8,266; five years ago, 8,714. Area, 2,921 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 304,088
Current expenditure	300,802
Assessed value for taxation	5,891,917
Exemptions not included	538,005

Tax rate, 1936: General, 22.756; debenture, 4.544; school, 12.7; total, 40 mills.

Total tax arrears, $80,039; last year's levy, $236,183; uncollected, $32,529.

Assets and Liabilities

Value of assets	$1,293,548
Total debenture debt	716,988
Total sinking fund	19,548

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 72,671	$19,548
Local improvements	266,855	......
General	377,462	......
Total	$716,988	$19,548

Public Utilities

	*Net earnings	†Net profits
Waterworks	$18,527	$ 4,231
Electric light	20,198	10,255
Gas	2,589	‡972

*After operating charges only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

WELLAND

For the second successive year Welland reports improvement in its financial affairs, tax collections increasing and bank loans and net debenture debt being reduced.

Bank loans were reduced by $10,675 to $33,427 and net debenture debt at $1,433,707 is $129,686 lower.

Deficit on 1936 operations was $43,474. Included in current expenditures, however, was the city's share of relief costs.

Population: Present, 10,540; five years ago, 10,668. Area, 1,100 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 555,480
Current expenditure	*598,954
Assessed value for taxation	10,008,319
Exemptions not included	1,733,720

*Relief charges included.

Total tax arrears, $179,240; last year's levy, $446,215; uncollected, $92,253. Tax sale lands or certificates held, less reserves, $31,456.

Assets and Liabilities

Value of assets	$3,372,458
Total debenture debt	1,909,350
Total sinking fund	475,643
Bank loans	33,427
Bonds guaranteed	66,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$574,234	$230,833
Local improvements:		
Ratepayers' share	222,819	23,558
Munic. share	416,800	27,238
Schools	558,906	131,772
Parks	14,019	......
General	79,480	62,242
Relief	43,092	......
	1,909,350	475,643

WESTON

Since April, 1935, Weston has been paying only 3% on account of debenture interest. Debenture principal has been in default since July 1, 1934. The town is operating under the supervision of the Ontario Department of Municipal Affairs.

The total amount of principal in default at the end of 1936 was $128,838. Arrears of interest totalled $48,859.

Fiscal agents have prepared a refinancing plan which has yet to be approved. It is understood that the plan proposes cancellation of arrears of interest and extension of maturities for five years.

Population: 1936, 5,058; five years ago, 4,618. Area, 622 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 183,208
Current expenditure	180,984
Assessed value for taxation	3,957,558
Exemptions not included	413,010

Tax rate, 1936: General, 28.7; school, 18.3; total, 47 mills.

Total tax arrears, $65,735; last year's levy, $216,478; uncollected, $53,686.

Assets and Liabilities

Value of assets	$ 67,231
Total debenture debt	1,007,358
Bank loans	79,020
Capital loans	15,298

No sinking fund.

Debenture Debt

	Debentures outstanding
Public utilities	$152,913
Local improvements:	
Ratepayers' share	247,405
City's share	184,306
General	160,018
School	262,716
Total	$1,007,358

YORK TOWNSHIP

The township of York, Toronto suburban municipality, defaulted on a principal maturity on Oct. 1, 1933. Full interest was paid to Feb. 1, 1935, and since that time 3% has been paid on account. Past due interest and principal amounted to $4,852,570 as at Dec. 31, 1936.

The township is under the supervision of the Ontario Department of Municipal Affairs. Fiscal agents have prepared a plan of refinancing, but as yet no agreement has been reached between the fiscal agents, the bondholders' committee and the township council. Expectations are that the refinancing will be carried out in 1937.

Population: Present, 72,852.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$1,179,186
Current expenditure	1,040,617
Assessed value for taxation	28,035,426

Total tax arrears, $1,779,418; last year's levy, $2,755,849; uncollected, $672,887.

Assets and Liabilities

Value of assets	$22,918,183
Total debenture debt	15,232,815
Bank loans	*4,556,263

*Includes $3,907,897 borrowed in anticipation of debenture issues.

Debenture Debt

	Debentures outstanding
Public utilities	$3,985,474
Local improvements	7,350,855
Schools	2,865,319
General	1,031,167
Total	$15,232,815

Principal and interest due and unpaid (not included above), $4,852,570.

Bonds guaranteed, $1,061,096.

WINDSOR

The financial statement for 1936 of the city of Windsor, which is an amalgamation of Windsor, East Windsor, Walkerville and Sandwich is not available as yet. During the year there was marked improvement in collections of both current taxes and of arrears. As a result income was considerable in excess of expenditures. Collections in the current year have also been excellent, receipts of current taxes up to the middle of April amounting to 60% of the levy.

Agreement has finally been reached on the refinancing proposal for the debentures of the city. The plan, as finally agreed to, represents a compromise between that presented by the fiscal agents and the judgment handed down by the Ontario Municipal Board in December last. The plan is effective as at Jan. 1, 1936. Shown below is the amount that is payable on 5% and 6% debentures.

INTEREST RATES

	New Rate	Proposed by Municipal Board	Rate under Plan
Walkerville	4%	3%	4¼%
Windsor	3¼%	3%	3½%
East Windsor	2%	1¾%	2%
Sandwich	1½%	1¼%	1½%

Town of Walkerville
Defaulted Dec. 14, 1935

	*5% Bond $	*6% Bond $
Accr. int., Dec. 31, 1935	2.33	2.80
To be paid on arrears	0.35	0.42
Add: 1936 interest	40.00	40.00
Int. due June 30, 1937	20.00	20.00
Total amount due	60.35	60.42

*$1,000 bond, interest payable Dec. 14.

City of Windsor
Defaulted Feb. 1, 1933

	*5% Bond $	*6% Bond $
Accr. int., Dec. 31, 1935	171.00	205.00
52% settlement	89.00	106.50
Less: Paid in 1935	30.00	30.00
To be paid on arrears	59.00	76.50
Add: 1936 interest	32.50	32.50
Int. due June 30, 1937	16.25	16.25
Total amount due	107.75	125.25

*$1,000 bond, interest payable Feb. 1 and Aug. 1.

City of East Windsor
Defaulted Oct. 1, 1931

	*5% Bond	*6% Bond
Accr. int., Dec. 31, 1935	237.00	285.00
To be paid on arrears	118.75	142.50
Add: 1936 interest	20.00	20.00
Int. due June 30, 1937	10.00	10.00
Total amount due	148.75	172.50

$1,000 bond, interest payable Apr. 1, and Oct. 1.

Town of Sandwich
Defaulted Mar. 1, 1932

	*5% Bond $	*6% Bond $
Accr. int., Dec. 31, 1935	216.67	260.00
To be paid on arrears	▲26.00	▲31.20
Add: 1936 interest	15.00	15.00
Int. due June 30, 1937	7.50	7.50
	48.50	53.70

†*$1,000 bond, interest payable Mar. 1 and Sept. 1.

▲Subject to successful outcome of suit against Imperial Bank of Canada for return of funds seized for payment of bank loan.

Toronto Board of Trade To Tour Ontario Mines

The success which attended the tour of members of the Toronto Board of Trade to the mining areas of northern Ontario last fall has prompted the board to arrange a second goodwill tour for members this year. The party will leave Toronto June 6 and en route visit North Bay, Cobalt, the Spruce Falls Power and Paper plant and model townsite at Kapuskasing, and the Abitibi Power and paper plant at Iroquois Falls.

WOODSTOCK, ONT.

Woodstock, Ont., maintained its position in 1936 as having one of the best tax collection records in the Dominion, collections of current taxes amounting to 91.3% of the levy as compared with 90.3% in 1935. Arrears of taxes amount to only $60,257.

For the third successive year a reduction is shown in the net debenture debt.

Population: Present, 11,100; five years ago, 10,840. Area, 1,525 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 384,521
Expenditure	376,954
Assessed value for taxation	7,391,923

Tax rate, 1936: General, 12.6103; schools, 7.7473; collegiate, 6.1527; debenture, 10.8568.

Total tax arrears, $65,070; amount of last year's levy, $336,505.

Assets and Liabilities

Value of assets	$2,231,783
Total debenture debt	794,340
Total sinking fund	186,523
Bank loans	28,000
Other liabilities	24,507

Public Utilities

	Revenue	†Oper. Surplus
Waterworks	$ 46,795	$ ‡24,698
Electric light	189,327	11,204

†After operating expenses, interest and sinking fund charges. ‡Subject to provision for depreciation.

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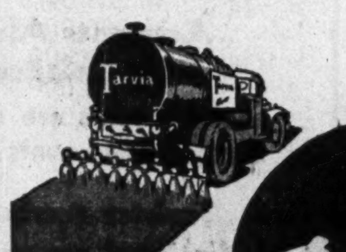
THAT FALL
Say, Jim, the Council want me to congratulate you on the road work this year. How you did so much with that appropriation is beyond me, but we're all well satisfied. Well, Joe, TARVIA is the answer—good roads, low cost.



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Nova Scotia

Province Breaks 13-year-old Oeficit Jinx in Ordinary Account — Debenture Debt Increased by $25 Millions Since 1930 — Highway Programme, Relief Costs Swell Capital Expenditures

In common with other senior government units in Canada Nova Scotia has increased its debt burden substantially since 1929, imposed heavier taxation and expanded expenditures.

Since 1930 the debenture debt of the province, after deduction of sinking funds, has increased by $25 millions to $81 millions. Included in the total debt, however, are $14 millions of debentures issued for the Nova Scotia Power Commission which are self-supporting.

A further increase of $10 millions in funded debt is looked for in the current fiscal year. Of this amount $2 millions has already been borrowed in order to fund floating indebtedness and a further $8 millions is to be borrowed for outlays on highway construction.

Construction of hard-surfaced roads accounts for a large part of the debt increase. From Sept. 30, 1933, to Nov. 30, 1936, the net debenture debt of the province increased by $19 millions. Of this increase approximately $9 millions was borrowed for highways, $4 millions for relief costs and $3.8 millions for deficits. As a result of the construction of hard-surfaced roads the province hopes to derive large returns in tourist traffic.

In the year ended Nov. 30, 1936, the net funded debt of the province increased by $6.5 millions to $81.1 millions. At the same time the bank overdraft increased by $1.3 millions.

Ordinary Surplus

A favorable feature of last year's fiscal operations was the breaking of a 13-year-old deficit jinx, a surplus of $151,718 being reported on ordinary account. This is the first time since the 1922-23 fiscal year that Nova Scotia has reported a surplus on ordinary account. In the previous fiscal period, that is for the 14 months ended Nov. 30, 1935, the deficit amounted to $897,000.

The surplus of $151,000 in 1935-36 represents a very substantial improvement since late in 1933 when the present Government took office. Deficit in the year ended Sept. 30, 1933, amounted to $1.6 millions, the largest in the history of the province. In other words the deficit amounted to over 20% of the total revenue in the province. Since that year there has been steady improvement.

The surplus of $151,000 is, however, before unemployment relief costs, which were capitalized. Included under capital expenditures are $175,142 for unemployment relief grants and direct relief and $1,056,730 for unemployment relief works.

The improvement on ordinary account last year resulted from additional revenue arising from additional taxation and improving business and to reduction of expenditures below estimates. The Government had budgeted for a deficit of $361,191, but revenue exceeded estimates by $290,480 and expenditures were $222,423 below estimates.

Total capital expenditures in the year ended Nov. 30, 1936, amounted to $7.6 millions, compared with $6.1 millions in the previous 14 months.

Debt Position
As at Nov. 30, 1936

	$
Total funded debt	*86,974,113
Less: Sinking fund	5,822,665
Net funded debt	81,151,448
Contingent liabilities	591,687
Bank overdraft	1,863,201

*Includes $14,181,151 borrowed for the Nova Scotia Power Commission.

PROVINCIAL FINANCES
Revenue

Department:	Year ended Nov. 30 1936 $	14 Mos. ended Nov. 30 1935 $
Attorney-General	225,499	221,641
Education	131,010	155,234
Highways	3,424,484	3,612,103
Agriculture	850	12,742
Public health	593,975	719,171
Provincial secretary	1,789,579	1,858,427
Provincial treasurer	3,391,997	3,265,349
Public service	38,910	58,730
Public wks. & mines	689,271	745,646
Labor	3,792	4,504
R. C. Mounted Police	......	168,699
	10,289,368	10,821,949
Less	......	181,089
	10,289,368	10,640,860

Expenditure

Department:		
Attorney-General	154,693	180,416
Education	1,313,203	1,640,820
Highways	3,421,950	3,742,903
Agriculture	246,773	270,821
Public health	2,128,756	2,421,989
Provincial secretary	90,080	80,353
Provincial treasurer	1,882,758	2,111,204
Public service	163,686	166,426
Public wks. & mines	329,957	490,431
Labor	27,643	30,636
	9,759,479	11,156,001

AMHERST

Amherst had a gross surplus in 1936 of $21,066. From this amount, however, certain deductions will have to be made for uncollectable taxes.

The net current bank overdraft at the end of the year was $12,687, compared with $13,477 at the end of 1935.

Population: Present, 7,450; six years ago, 7,500. Area, 3,500 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 244,135
Current expenditure	206,835
Assessed value for taxation	3,751,112
Exemptions not included	948,400

Tax rate, 1936: General, $3.40; school, $1.30.

Tax arrears, $86,229; last year's levy, $177,744; uncollected, $40,488.

Assets and Liabilities

Value of assets	$1,925,461
Total debenture debt	1,039,100
Total sinking fund	621,191
Other liabilities	37,190

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 685,650	$ 413,813
Schools	154,950	128,859
General	198,500	70,544
Sink. fund reserve	......	7,974
Total	$1,039,100	621,191

Public Utilities

	Revenue	*Deficit
Waterworks	$ 27,760	$311

*After expenses and interest.

DARTMOUTH

Dartmouth reduced its net debenture debt by $46,669 in 1936 to $812,862. At the same time, however, bank loans increased by $13,761 to $104,491.

Bonds guaranteed by the town total $373,000, of which $185,000 are housing commission bonds and $188,000 are ferry commission bonds. Sinking fund against the ferry commission bonds amounts to $64,154.

The town has been authorized to borrow $10,000 to be used toward paying and retiring at maturity debentures issued in 1917 and payable Nov. 1, 1937, the sinking fund for these debentures being insufficient. The town has also been authorized to borrow $10,000 to defray the expense of repairing and extending its water and sewer system.

Population: Present, 11,000; five years ago, 9,166. Area, 1,533 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 211,399
Current expenditure	216,812
Assessed value for taxation	4,932,100
Exemptions not included	1,871,650

Tax rate, 1936: General, 19.40; highway, 1.00; school, 15.60; total 36 mills.

Total tax arrears, $83,205; last year's levy, $176,162; uncollected, $58,595.

Assets and Liabilities

Value of assets	$1,529,852
Total debenture debt	1,166,500
Total sinking fund	353,633
Bank loans	104,491
Other liabilities	26,392

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 379,700	$124,621
Local improvements	347,700	76,856
School	318,500	103,539
Other	120,600	48,617
Total	$1,166,500	$353,633

Bonds guaranteed, $373,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$27,382	$1,216

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

GLACE BAY

After providing for sinking fund payments of $60,179 Glace Bay had a deficit of $21,175 in 1936.

The 1936 report has not been issued as yet. The city's position at the end of 1935 is shown below.

Population: Present, 25,000; five years ago, 22,000. Area, 6,400 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$ 480,372
Current expenditure	455,475
Assessed value for taxation	5,120,000
Exemptions not included	88,800

Tax rate, 1934: General, 3.30%; school, 3.70%; total, 7%.

Tax arrears, $260,726; last year's levy, $371,491; uncollected, $133,890.

Assets and Liabilities

Value of assets	$2,457,832
Total debenture debt	1,619,250
Total sinking fund	410,546
Sinking fund arrears	45,000

Debenture Debt

	Deb'.s outstand.	Sink. fund on hand
Public utilities	$ 206,500	$ 36,379
Other	1,412,750	374,167
Total	1,619,250	410,546

Public Utilities

	*Net earnings	†Net profits
Waterworks	$17,617	$7,075
Electric light	46,352	33,801

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

HALIFAX

Halifax showed an increase of $208,746 in total funded debt in 1936. Debentures outstanding, including those sold in March, 1937, totalled $15,352,760 compared with $15,144,013 at the end of 1935.

Tax arrears were substantially reduced in 1936 from $884,789 at the end of 1935 to $491,269 at Jan. 31, 1937. This is after deduction of reserves and the city's experience shows that an amount in excess of the total shown will eventually be collected.

While the city has a large debenture debt, its finances are considered in a healthy condition.

Population: Present, 62,000; 1931, 59,275. Area, 4,300 acres.

Income and Assessment

Assessed value for tax. 1936-37.	$58,263,755
Exemptions not included	39,237,600

Tax rate, 1936: 36.2 mills.

Total tax arrears, $491,269; 1936 revenue, $2,333,000; uncollected, $583,716.

Assets and Liabilities

Value of assets	$13,100,000
Total debenture debt	15,352,759
Total sinking fund	4,200,000

NEW GLASGOW

New Glasgow reports further improvement in its financial affairs in 1936. During the year the net debenture debt was reduced $38,000 to $465,386.

Although the tax rate was reduced the town ended the year with a substantial credit balance, cash in the bank amounting to $44,015 as compared with $27,027 at the end of 1935. The only liabilities outstanding at the end of the year were debentures.

Population: Present, 9,000; five years ago, 9,000. Area, 2,560 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current income	$ 292,603
Current expenditure	248,587
Assessed value for taxation	5,482,525
Exemptions not included	106,500

Tax rate, 1936: General, $2.15; school, $1.15; total, $3.30.

Tax arrears, $124,041; last year's levy, $183,505; uncollected, $62,818.

Assets and Liabilities

Value of assets	$1,426,126
Total debenture debt	1,062,150
Total sinking fund	503,384

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$ 421,600	$288,155
General	640,550	215,229
Total	$1,062,150	$503,384

Public Utilities

Waterworks—Credit balance, $5,387.

TRURO

Truro improved its financial position in 1936, reducing its net debenture debt and its bank loans. Net debenture debt was reduced $34,477 to $485,746.

Bank overdraft of $30,126 on general account at the end of 1935 was converted during the year into a bank balance of $9,025. Bank overdraft on school account was reduced from $9,956 to $7.645.

Population: Present, 8,500 (est.); five years ago, 8,000. Area, 3,000 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 255,589
Expenditure	216,882
Assessed value for taxation	4,758,220
Exemptions not included	989,800

Tax rate, 1936: General, $2.45; schools, $1; provincial highway, 10c.; total, $3.55.

Last year's levy, $169,930; uncollected, $19,551; total tax arrears, $30,059.

Assets and Liabilities

Value of assets	$2,043,806
Total debenture debt	1,029,310
Total sinking fund	543,564
Bank loans	2,545
Other liabilities	7,645

Debenture Debt

	Debentures outstanding
Public utilities	$ 375,555
General	653,755
Total	$1,029,310

Public Utilities

	*Profit	†Net profit
Waterworks	$24,036	$14,338
Electric light	48,037	29,580

*After operating expenses. †After operating expenses, depreciation, interest and sinking fund debt.

Prince Edward Island

Deficits Continue but Last Year's Operations Show Substantial Improvement — Relief Charges Dropping

As with the larger provinces the financial operations of Prince Edward Island throughout the recent depression and recovery period have been characterized by deficits and as a result there has been a sharp increase in debt.

During each of the past seven years the province has reported a deficit and despite substantial improvement in business has budgeted for a further deficit in 1937. The 1937 deficit will, it is estimated, amount to $64,000 on ordinary account which does not include unemployment relief.

In 1936, however, operations showed very substantial improvement over 1935, increased revenues and reduced expenditures enabling the province to reduce its overall deficit from $1,082,727 to $361,711. Deficit on ordinary account, exclusive of unemployment relief, was reduced to $24,654 as compared with $376,297 in 1935.

Direct relief charged to ordinary account in 1936 amounted to $55,040, compared with $60.881 in 1935. Unemployment relief costs charged to capital account, however, were cut by $332,798 or 58%, expenditures on unemployment relief projects amounting to $495,811 of which the province's share was $237,039.

Since 1929 the net funded debt of the province has increased by almost 200%, jumping from $1,586,506 at the end of 1929 to $4,713,167 at the end of 1936.

As a result of the improvement in revenues and reduction of expenditures in 1936 there was a slowing up in the rate of increase of debt. Total funded and unfunded debt increased in 1936 by $215,522. This compares favorably with an increase of $952,292 in 1935.

Debt Position
As at Dec. 31, 1936

	$
Gross funded debt	6,029,000
Less: Sinking fund	1,315,832
Net funded debt	4,713,168
Unfunded debt	724,100
Total liabilities	5,437,268
Increase in 1936	215,522

PROVINCIAL FINANCES
Revenue

Department:	1936 $	1935 $
Dominion subsidy	845,954	813,229
C. N. R., prop. tax	40,000	40,000
Registry office, hospital, etc., fees	33,500	31,032
Fines and penalties	2,281	426
Succession duties	42,811	19,839
Companies' taxes, etc.	120,920	106,964
Motor, insur. and pedlars' licenses	113,752	104,085
Departmental receipts.	67,472	52,234
Amusement taxes	11,639	5,384
Gasoline tax	232,575	212,434
Other taxes	194,590	138,919
Ordinary revenue	1,705,493	1,524,546
Capital revenue	701,393	390,125
Total	2,406,886	1,914,671

Expenditure

Department:		
Public debt	414,555	373,115
Justice	72,544	68,672
Agriculture	45,652	53,572
Education	339,542	346,374
Health	31,067	33,143
Public works	280,048	503,288
Provincial secretary	19,271	11,821
Old age pensions	220,793	198,122
Executive council	4,398	4,180
Hospital	114,794	119,306
Legislation	15,675	16,868
Legislative grants	52,002	48,677
Direct relief	60,881	55,040
Motor vehicles	3,528	5,192
Gasoline rebates	31,406	32,561
Provincial building	5,387	8,701
Library	2,774	3,034
Miscellaneous	15,829	19,174
Ordinary expenditure.	1,730,147	1,900,843
Capital expenditure	676,739	1,096,555
Total	2,406,886	2,997,398

SYDNEY

Betterment in the operations of Dominion Steel and Coal Co. has resulted in substantial improvement in the financial position of Sydney during the past two years. In 1936 the city had a surplus of $150,000 on current account, paid off $156,126 of bank loans to reduce the amount owing to $102,680 and reduced net debenture debt by $156,126 to $2,281,507.

Tax collections in 1936 were the best in years, receipts of current taxes amounting to 71.5% of the levy as compared with 67.4% in 1935. Accumulated tax arrears were reduced from $533,445 to $383,704.

As a result of the improvement in the city's position the 1937 tax rate has been set at 40 mills, a reduction of two mills from 1936.

Population: Present, 25,000; five years previously, 23,000. Area, 3,730 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,158,247
Expenditure	1,007,294
Assessed value for taxation	12,017,865
Exemptions not included	172,075

Tax rate, 1936: 42 mills.

Total tax arrears, $383,704. Less reserve, $142,908. Last year's tax levy, $635,023; uncollected, $180,697.

Assets and Liabilities

Value of assets	$4,112,406
Total debenture debt	3,606,000
Total sinking fund	1,387,493
Bank loans	102,680

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$549,000	$300,000
General debentures	3,057,000	1,087,493
Total	$3,606,000	$1,387,493
Guaranteed bonds	....	$200,000

Public Utilities

	*Net earnings	†Net profits
Waterworks	$57,137	$20,062

*After operating charges only. †After operating expenses, interest and sinking fund charges.

SUMMERSIDE

Summerside has the best tax collecting record of any town or city in Canada. Collections of current taxes in 1936 amounted to 97.5% of the levy, compared with 97.7% in 1935. Accumulated tax arrears amount to only $5,137.

The permanent paving programme carried out during 1936 was the most extensive in Summerside's history and as a result liabilities show a sharp increase. Net debenture debt at $303,645 is $29,645 higher. Bank loans at the end of 1936 amounted to $109,778 while there were no bank loans at the end of 1935.

Population: 1935, 3,914; five years ago, 3,914 Area, 1,060 acres.

Income and Assessment
Years Ended Dec. 31, 1936

Current revenue	$ 81,425
Current expenditure	82,847
Assessed value for taxation	2,998,442
Exemptions not included	637,500

Total tax arrears: $5,137; last year's levy, $44,976; uncollected $1,124.

Assets and Liabilities

Value of assets	$701,768
Total debenture debt	495,000
Total sinking fund	197,355
Bank loans	109,778
Other liabilities	7,903

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$225,000	$154,226
Local improvements	210,000	30,443
School	60,000	6,686
Total	$495,000	$191,355

Public Utilities

	*Net earnings	†Net profits
Waterworks	$2,397	‡
Electric light	27,755	$11,500

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Taken care of in taxes.

CHARLOTTETOWN

Charlottetown had a deficit of $21,886 in 1936. This is an improvement over 1935 when the deficit amounted to $47,833.

The 1936 auditors' report is not available as yet.

Population: Present, 13,840; 1926, 12,375. Area, 810 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$ 216,906
Current expenditure	264,740
Assessed value for taxation	9,146,488
Exemptions not included	4,500,000

Tax rate, 1935: 20 mills.

Total tax arrears, $125,939. Last year's levy, $182,929; uncollected, $43,023.

Assets and Liabilities

Value of assets	$3,102,252
Total debenture debt	1,978,850
Total sinking fund	327,600
Bank loans	47,833

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 424,500	$327,600
General	540,050	
Schools	138,000	
Housing	32,500	
Local improvements	843,800	
	$1,978,850	$327,600

Public Utilities

	*Net earnings	†Net profits
Waterworks	$22,037	$5,098

*After operating charges only. †After operating charges, interest on water and sewerage debentures.

1785 **1937**

SYDNEY, Nova Scotia, is in the very heart of the most important industrial centre of Canada east of Montreal and is located on the Island of Cape Breton.

The city proper with its population of upwards of 25,000 has one of the safest and most commodious harbors on the Atlantic seaboard of the North American continent. The tonnage borne on the waters of Sydney harbor during the last couple of years has exceeded that of all other harbors in Canada east of Montreal.

The Dominion Iron and Steel plant located at tidewater within the limits of the city is known throughout the world for the high quality of its steel rails and other products manufactured, all materials used being produced within the British Empire.

The coal operations of the Dominion Coal Company to the southward of the city contain some of the largest and most modernly equipped coal mines in the world, millions of tons of coal are produced annually and shipped principally by water to the St. Lawrence market and elsewhere.

The Nova Scotia Steel and Coal Company is to the northward of the city of Sydney and also produces large quantities of excellent coal. These industrial areas and the agricultural sections within the County of Cape Breton of which Sydney is the capital include a population of some 102,000 people.

From a financial standpoint the city of Sydney has been able to maintain a strong position during all the years of depression and has today a financial structure as sound as any community of its size in Canada.

The city of Sydney pays all its obligations on maturity according to the terms of the contract and has never defaulted in its bond interest or principal.

In 1936 Sydney was able to show a surplus in the current operation for the year of over $50,000.00. If present conditions are maintained Sydney can confidently look forward to continued progress.

SYDNEY E. MUGGAH,
Mayor.

Sydney, N.S.

I.P. of Newfoundland Settles Strike of Loggers

From Our Own Correspondent

MONTREAL. — International Power & Paper Co. of Newfoundland has ended a two-weeks' strike of loggers and drivers by granting a 20% pay increase and shorter hours.

ONTARIO and its "Pay-as-You Go Policy"

Secures its obligations by assets that are immense and fundamentally sound

THE PROVINCE OF ONTARIO bases its credit on the possession of virtually inexhaustible natural resources—the steady development of which justifies confidence in the future, and upon enormous income which secures its bonds under a "pay-as-you-go policy."

ESTIMATED POTENTIAL RESOURCES and INCOME

Farming	$500,000,000
Manufacturing	$2,000,000,000
Mining	$100,000,000
Forestry	$100,000,000
Fishing	$3,000,000
Furs	$3,400,000
Mineral Wealth	$2,200,000,000
Crown Timber	$4,797,500,000
Crown Lands	$230,000,000
Water Powers	$150,000,000
Property Assessed by Municipalities	$3,183,000,000
Fish, Game, Fur	$200,000,000

INVESTMENT OF PROVINCIAL DEBT

The greater part of the provincial debt is really an investment in revenue-producing services as follows:

Hydro-Electric Power Commission	$151,572,000
T. & N.O. Railway	30,207,000
Farm Housing & Settlers' Loans	59,900,000
Roads and Highways	226,900,000
Niagara Parks	1,700,000
Cash and Accounts Receivable	9,305,000

Of the provincial debt, over 70 per cent is represented by revenue-producing assets.

ONTARIO AS A GOLD PRODUCER

At the beginning of the present century, Ontario was known as an agricultural province. Today the name Ontario has become the synonym for mining enterprise. Ontario's gold mines have placed Canada in a leading position as a gold producer. About 70 per cent of Canada's gold is produced by Ontario mines. In 1910, Ontario's gold output was valued at $68,498. Based on the current valuation for gold, the production in this province last year amounted to $83,000,000.

HERE ARE THE RESULTS

For the Fiscal Year April 1, 1936 to March 31st, 1937

Net Ordinary Revenue	Net Ordinary Expenditure
$80,488,439.95	$71,174,501.41

FINANCIAL STATEMENT

ORDINARY REVENUE AND EXPENDITURE

Ordinary Net Revenue	$ 80,488,439.95
Ordinary Net Expenditure (before providing for Unemployment Direct Relief)	57,904,444.12
Surplus (before providing for Unemployment Direct Relief)	22,583,995.83
Less — Unemployment Direct Relief and Administration thereof	13,270,057.29
SURPLUS	$ 9,313,938.54

The Debt Position of the Province of Ontario

GROSS DEBT

As at March 31, 1936	$689,558,513.76
As at March 31, 1937	656,460,348.37
Reduction Gross Debt for the Year	$ 33,098,165.39

DEBENTURE DEBT (Less Sinking Funds)

As at March 31, 1936	$594,112,954.50
As at March 31, 1937	567,973,130.86
Reduction in Debenture Debt for the Year	$ 26,139,823.64

TREASURY BILLS OUTSTANDING

As at March 31, 1936	$50,000,000.00
As at March 31, 1937	38,000,000.00
Reduction in Treasury Bills for the Year	$12,000,000.00

For Further Information, apply

Treasury Department

MITCHELL F. HEPBURN, Prime Minister and Provincial Treasurer

QUEEN'S PARK TORONTO

New Brunswick

Funded Debt Again Shows Increase for Year—Deficit For 1936, $503,000 Higher Than Previous Year and $293,000 Above Budget Estimate

Despite the substantial economic improvement and buoyant government, New Brunswick continues to pile up deficits. In the year ended Oct. 31, 1936, the province reported its seventh successive deficit and has budgeted for another in the year ending Oct. 31 next.

Deficit in the 1935-36 fiscal period amounted to $424,969, compared with $703,116 in 1934-35. The deficit in 1935-36 was higher than the Government had budgeted for despite the fact that revenues were $503,000 higher than in the previous year and $293,000 higher than estimated by the budget. As in the previous year the Government failed to exercise good budget control and as a result the deficit was higher than expected.

For the current fiscal year the Government has estimated revenues of $7,480,355, an increase of $633,609. The increased revenue forecast is not based on new taxation, but on the upward trend of business conditions. Higher revenues, however, will be offset in part by an increase of $492,000 in expenditures so that a deficit of $283,579 is estimated.

Like its sister province on the east, New Brunswick has spent large sums on roads in recent years in order to attract tourist traffic. Capital expenditures on roads and bridges in the year ended Oct. 31, 1936, amounted to $5.3 millions, compared with $3.8 millions in the previous year.

The province's share of unemployment relief charged to capital account last year was $349,024, compared with $125,642 in the previous year. Direct relief has been abandoned as far as possible.

Net funded debt of the province has increased by almost $30 millions since 1929, amounting to $64.7 millions at Oct. 31 last. The increase in the 1935-36 fiscal period was $5.7 millions.

Debt Position
As at October 31, 1936

	$
Total funded debt	*74,049,919
Less: Sinking fund	8,816,470
Net debenture debt	65,233,449
Current bank loans	1,246,179
Capital bank loans	1,274,775

*Includes $7,965,500 of New Brunswick Power Commission bonds.

PROVINCIAL FINANCES
Revenue

Department:	1936 $	1935 $
Dominion subsidy	1,566,575	1,566,575
Attorney-General	7,093	10,074
Agriculture	818	576
Lands and mines	750,363	799,130
Public works	17,950	17,969
Public health	11,237	11,411
Education	32,616	4,055
Prov. secy.-treas.	1,345,919	1,164,283
Liquor control board	782,742	600,763
Prov. hospital	197,063	239,696
Jordan Mem. Sanit.	50,466	48,428
Boys' industr'l home	14,757	13,706
Motor & gas tax, etc.	2,068,363	1,865,825
	6,845,983	6,342,491

Expenditure

Department:		
Public debt	2,073,650	1,902,311
Legislation	75,269	66,573
Attorney-General	169,880	169,595
Agriculture	220,414	181,539
Lands and mines	359,268	415,643
Public works	1,294,396	1,496,539
Public health	146,636	139,179
Education	760,084	652,672
Prov. secy.-treas.	165,634	289,351
Executive	12,649	14,420
Prov. hospital	240,003	239,252
Jordan Sanitorium	113,899	123,035
Tuberculosis aid	77,870	75,025
Boys' industr'l home	29,236	25,907
Motor vehicle law	1,250,186	1,253,899
Old age pensions	210,494	668
Other	42,685	......
	7,270,952	7,045,607

MONCTON

Moncton reduced both its net debenture debt and floating indebtedness in 1936. Net debenture debt declined by $133,425 to $3,146,082. At the same time bank loans were reduced by $75,912 to $237,690.

Tax collections showed slight improvement, total accumulated arrears being reduced from $285,905 to $242,540.

Population: Present, 21,939; five years ago, 21,169. Area, 3.27 square miles.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,023,955
Expenditure	950,660
Assessed value for taxation	22,610,942
Exemptions not included	13,710,440

Tax rate, 1936: General, $1.70; school, $1.46; county, $0.24; total, $3.40.

Total tax arrears, $242,540; last year's tax levy, $843,983; uncollected, $234,391.

Assets and Liabilities

Value of assets	$7,859,658
Total debenture debt	4,948,600
Total sinking fund	1,802,518
Bank loans	237,690

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,335,500	$812,118
Schools	1,241,500	196,918
General debentures	2,371,600	792,482
Total	$4,948,600	$1,802,518

Bonds guaranteed, $290,000.

Public Utilities

	*Profit	†Net profit
Waterworks	$66,075	$3,056

*After operating expenses only. †After operating expenses, depreciation, interest and sinking fund debt.

FREDERICTON

Fredericton, the capital of New Brunswick, reduced its bank loans in 1936 by $16,479 to $69,993 and its net debenture debt by $9,500 to $534,760. These figures do not include school board debentures of which there are $222,000 outstanding and against which there is held a sinking fund of $66,112.

Collections of current taxes recorded marked improvement in 1936, the percentage of the levy collected being 79.7% compared with 71.7% in 1935. Collections of arrears of taxes, however, were lower, amounting to $59,665 as against $65,014 collected in the previous year.

Population: Present, 9,000; five years previously, 8,830. Area, 17,280 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 393,096
Expenditure	376,616
Assessed value for taxation	9,830,693
Exemptions not included	4,559,000

Tax rate, 1936: 2.90 mills.

Total tax arrears, $173,799; last year's levy, $277,000; uncollected, $55,136.

Assets and Liabilities

Value of assets	$1,382,536
Total debenture debt	696,500
Sinking fund	161,739
Bank loans	69,993

SAINT JOHN

Poor tax collections are an adverse factor in the financial outlook of Saint John, the largest city in New Brunswick. Tax receipts in 1936 were not up to expectations and A. G. McMulkin, city chamberlain, in his report states that more stringent methods will have to be adopted in the future to make collections. Accumulated tax arrears increased by $286,508 and collections of current taxes amounted to only 67.3% of the levy, compared with 68.6% in 1935.

Population: Present 50,000 (est.); five years ago, 48,000. Area, 13,440 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,996,339
Expenditure	2,043,467
Assessed value for taxation	46,348,000
Exemptions not included	15,265,000

Tax rate, 1936: General, 1.06; county, 1.12; school, 1.50; total 3.68 mills.

Total tax arrears, $1,627,694; last year's levy, $1,867,416; uncollected, $610,280.

Assets and Liabilities

Value of assets	$12,903,977
Total debenture debt	9,107,349
Total sinking fund	2,991,642
Bank loans	696,623

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,954,960	$1,178,618
Local improvements	66,225	......
General	2,794,164	1,219,678
Schools	2,292,000	593,346
Total	$9,107,349	$2,991,642

Public Utilities

	†Net profits
Waterworks	$14,748
Hydro-electric plant	696
Market	3,299

†After deducting operating expenses, interest and sinking fund charges.

Robot Accountant Aids Municipality

Mechanical Bookkeeping Controls Accounts in New Toronto

Mechanical accounting equipment installed in the municipal offices of the town of New Toronto, Ont., provides automatic controls for all bookkeeping, and exemplifies the modern development of office machinery.

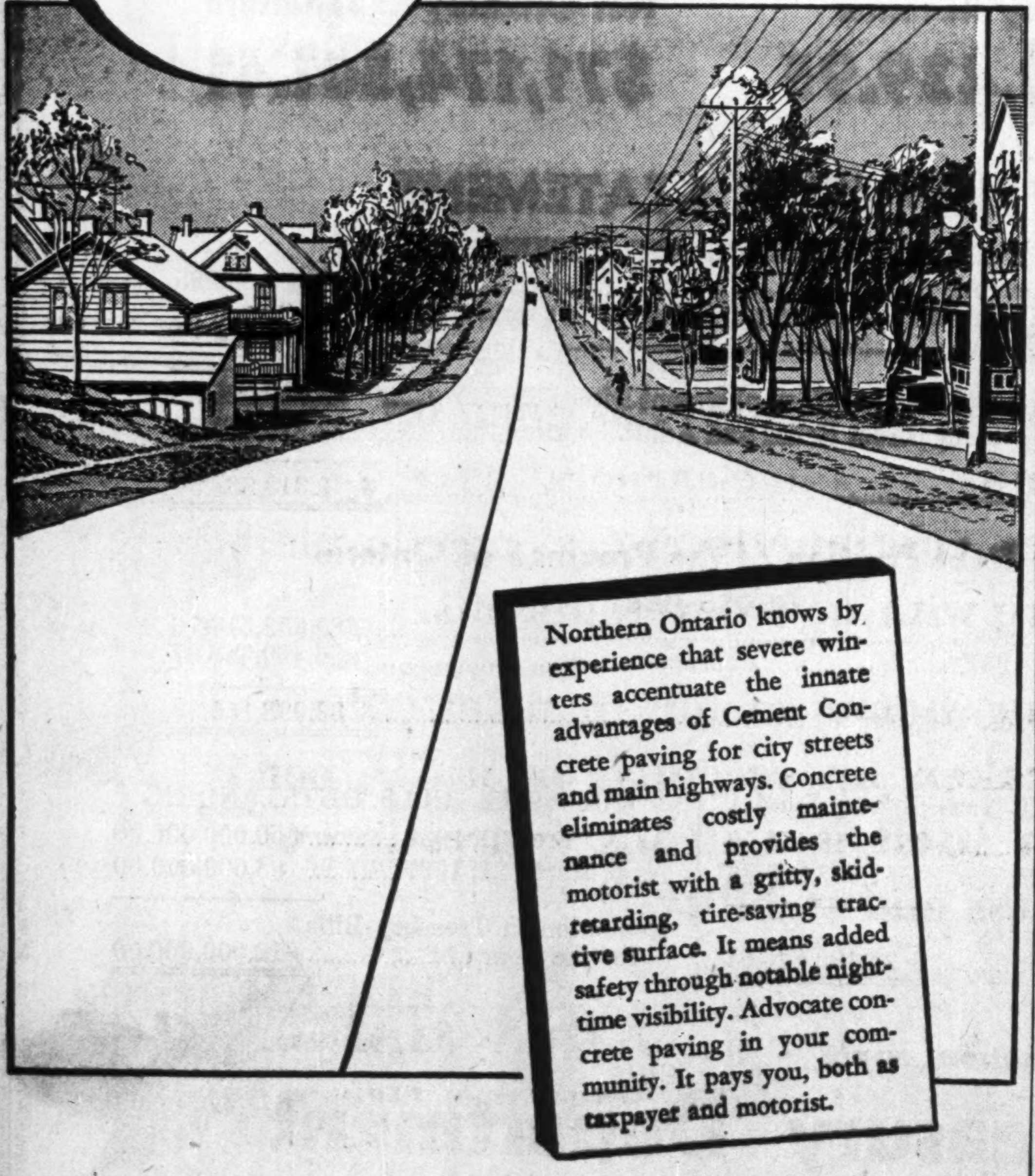
The machinery was especially constructed to enter details of the town's tax roll, make out ledger accounts and enter the cash receipts journal, and was built by National Cash Register Co.

The system works from the tax register, from which a card is printed for each taxpayer. The ledger card, the tax bill and a tax roll sheet are inserted together in the machine. The information from the tax card is set up in the machine giving in detail the items making up the total tax, the amount of each installment and also a roll number for each piece of property. These three forms are printed simultaneously and the details totalled in the machine and printed on forms.

Control System

When the tax billing is completed a control card is inserted in the machine and the total is taken off on the control card. The tax roll is then filed in a book, the ledger card is filed in the ledger cabinets and the tax bill is sent to the taxpayer. The ledger cards for each year are a different color, so that at any time by merely totalling up the various colored cards, the balance of taxes outstanding for any one year is instantly available.

When the taxpayer makes a payment on taxes he presents his tax bill, the operator takes out the ledger card from the ledger cabinet. The roll number from the ledger card is set up in the machine and the tax bill, ledger card and cash receipts journal sheet are inserted in the machine. The amount of the payment is then set up on the machine and the tax number, amount of credit, and balance is printed on all three forms.



CONCRETE PAVING

in CANADA'S NORTHLAND

Northern Ontario knows by experience that severe winters accentuate the innate advantages of Cement Concrete paving for city streets and main highways. Concrete eliminates costly maintenance and provides the motorist with a gritty, skid-retarding, tire-saving tractive surface. It means added safety through notable nighttime visibility. Advocate concrete paving in your community. It pays you, both as taxpayer and motorist.

CANADA CEMENT COMPANY LIMITED
Office — 803 Northern Ontario Building — Toronto

Alberta

Province Unable to Provide Funds to Meet Maturities This Month, Despite Cut in Interest Rates—Arrears on Debenture Principal Now Total $6.1 Millions

Despite the saving resulting from the 50% reduction of interest on its bonds made on June 1, 1936, Alberta is still unable to provide funds for debenture principal maturities. On June 1, the province defaulted on a $1.6 million maturity, bringing the total amount of debenture principal past due to $6.1 millions.

Request of the province made early this year for financial assistance from the Dominion Government in the form of a temporary subsidy such as has been granted to Manitoba and Saskatchewan was rejected on the recommendation of the Bank of Canada. The bank based its recommendation on its finding that due to the interest reduction, Alberta will, in the current fiscal year, have sufficient revenues to meet all ordinary, capital and relief expenditures, exclusive of debt retirement. At the same time, the province will be able to maintain its governmental services on as favorable a basis as Manitoba and Saskatchewan.

Province's Position

If a reduction in bond interest had not been made by the province, it is probable that the bank would have recommended assistance from the Dominion. In this connection, the bank's report points out that if Alberta were now paying full interest it would have to borrow its full share of unemployment relief from the Dominion in the 1937-38 fiscal year. Furthermore, on the basis of budgetary estimates, there would be a cash shortage of $600,000. In other words, its position would have been a little worse than that of Manitoba and distinctly better than Saskatchewan.

Details of results of operations in the year ended March 31, 1937, are not yet available. In the 10 months ended Jan. 31 last, however, there was an increase of $1,725,725 in net funded and unfunded debt and a cash surplus of $271,920. Net funded and unfunded debt at the end of January amounted to $159,807,075.

For the 1937-38 fiscal year, Alberta has budgeted for a surplus on ordinary account of $3.9 millions. Capital and relief expenditures are estimated at $4.3 millions, so that reserves will have to be drawn on to the extent of $400,000. In addition, the province hopes to redeem $1.2 million of savings certificates. The Bank of Canada report revealed that the province is depleting its cash resources and is borrowing from investment and superannuation funds for its current needs.

In the year ended March 31, 1936, the province had a deficit of $1.6 million on ordinary account, a reduction of $400,000 from the previous year.

In each of the past two years the province has increased taxation.

Debt Position
As at Mar. 31, 1936

	$
Total funded debt	153,567,010
Less: Sinking fund	10,625,979
Net funded debt	142,941,031
Unfunded debt	*18,413,755

*Includes $9,285,937 of savings certificates and $5,700,000 of temporary loans.

PROVINCIAL FINANCES
Revenue

Department:	1935-36 $	1934-35 $
Dom. of Canada	1,771,475	1,771,475
Agriculture	240,487	260,499
Attorney-General	2,760,535	2,469,802
Education	180,476	169,166
Executive council	117,864	63,096
Legislation	641	1,242
Municipal affairs	1,203,746	1,247,125
Provincial secretary	4,951,033	4,827,065
Public health	377,632	384,067
Public works	119,077	116,537
Rlys. & telephones	223,200	223,998
Treasury dept.	3,476,039	2,994,001
Lands & mines	1,152,476	1,169,496
Trade & industry	470	200
	16,575,151	15,697,770
Less Salary deduct.	245,762	263,111
	16,329,389	15,434,658

Expenditure

Department:		
Agriculture	464,246	394,722
Attorney-General	1,316,351	1,313,179
Education	2,428,011	2,269,286
Executive council	459,213	318,364
Legislation	242,763	239,834
Municipal affairs	222,746	244,338
Provincial secretary	107,357	98,643
Public health	1,512,909	1,399,290
Public works	1,628,206	1,701,883
Rlys. & telephones	9,048	70,046
Treasury	1,960,535	1,722,461
Lands & mines	504,545	522,967
Trade & industry	31,451	3,467
	10,887,382	10,298,483
Less: Salary deduct.	245,763	263,111
	10,641,619	10,298,493
Sinking funds	708,077	716,226
Int. and other chgs.	6,630,490	6,421,119
	17,980,167	17,172,709

CALGARY

Final approval has yet to be given to the plan of adjustment of the capital debt of Calgary which was proposed early this year by representatives of bondholders in order to enable the city to avoid default. The plan has been approved by Calgary taxpayers and steps are now being taken to secure the approval of holders of 60% of the city's bonds in order that a formal order may be issued by the Alberta Board of Public Utility Commissioners.

Under the provisions of the plan all the city's own securities held by the sinking fund would be cancelled. The holders of the other outstanding securities, totalling $17.4 millions, would exchange them for new debentures, dated Jan. 1, 1937, and maturing Jan. 1, 1962. The ultimate interest basis of the new debentures is to be 4½%, this rate to apply from original maturity dates. Debentures now bearing 5½% and 6% would be adjusted to a 4½% basis by payment in cash of the present value of the difference in interest, and then exchanged as 4½% debentures. Present 5% debentures would bear the same rate of interest to their present maturity dates and 4½% thereafter. The new bonds are to be callable.

Securities, other than those of the city itself, which are held by the sinking fund are to be liquidated and proceeds used for debt retirement.

In 1936 Calgary had a deficit of $59,868. This was after taking into revenue $79,403 of surplus earnings from the sinking fund. Under the debt adjustment plan the saving in debt charges in 1937 will be $672,991. This has enabled the city to increase its appropriations in several departments, reduce its tax rate by four mills and at the same time balance its budget.

Collections of current taxes in 1936 amounted to 75.11% of the levy, compared with 74.78% in 1935. Total collections, including arrears, amounted to 95.57% of the levy compared with 97.29% in 1935.

Population: Present, 83,304; five years ago, 83,362 Area, 25,368 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue (general only)	$4,409,395
Current expenditure	4,469,263
Assessed value for taxation	57,616,900
Exemption not included above	19,230,689

Tax rate, 1936: General, 16.1121; debenture, 14.7364; school, 22.7507; hospitals .9601; parks, .9354; library, .5053; total, 56 mills. Provincial levy on land only, 4 mills.

Total tax arrears at end of 1935, $1,423,006; last year's levy, $3,749,731; uncollected, $933,307.

Assets and Liabilities

Value of assets	$31,502,101
Total debenture debt	21,460,942
Total sinking fund	10,167,024
Sinking fund in arrears	429,079
Other liabilities	▲3,151,297

▲Includes capital bank loan of $2,000,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities:		
Waterworks	$5,174,931	$2,467,973
Electric light & p.	2,927,872	2,038,210
Street railway	2,855,644	1,926,517
Hospitals	295,095	122,666
Local improvements:		
Ratepayers' share	1,765,448	3,611,658
City's share	1,024,847	
General	7,417,105	
Total	21,460,942	10,167,024

Debentures not included in above, $2,341,700.

Public Utilities

		*Net profits
Waterworks	$	†22,937
Electric light		56,803
Street railways		†52,369
Paving		776

*After operating expenses, depreciation, interest and sinking fund charges.
†Deficit.

DRUMHELLER

Drumheller can be classified with the best managed municipalities in western Canada. Debenture debt is being reduced and now stands at $90,166. The city also enjoys a strong current position, cash on hand being several times greater than liabilities other than debentures.

Under general revenue account the city has $6,470 in cash and under waterworks reserve fund $33.299 in cash. The waterworks reserve fund also holds $12,825 of the $90,166 of debentures that are outstanding. Tax arrears are shown at $147,863 against which a reserve for non-collection of $100,000 is held.

Population: Present, 3,000; five years ago 3,000 Area 227 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 87,336
Expenditure	85,032
Assessed value for taxation	1,750,639
Exemptions not included	$204,670

Tax rate, 1936, 60 mills.

Total tax arrears, $147,863; last year's levy, $138,649; uncollected, $40,318.

Assets and Liabilities

Value of assets	$224,982
Total debenture debt	90,166
Other liabilities	24,470

Debenture Debt

	Debentures Outstanding
Public utilities	$85,666
General	4,500
Total	$90,166

No sinking fund.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$11,599	$1,353

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

LETHBRIDGE

Lethbridge is admittedly one of the best managed cities in western Canada, its position having shown steady improvement during the past five years. During 1936 net debenture debt was reduced by $202,874 to $1.7 million. Since 1931 net debenture debt has been reduced $522,000.

The city's waterworks and electric light departments both showed profits after all charges, including bond interest. Operations of the street railway, on the other hand, resulted in a deficit of $32,378.

Current tax collections showed slight improvement in 1936, 80.3% of the levy being collected compared with 79.9% in 1935. Accumulated arrears of taxes, however, increased by $20,000.

Population: Present, 13,520; five years ago, 13,489. Area, 6,443 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 723,801
Expenditure	723,978
Assessed value for taxation	9,561,595
Exemptions not included	7,946,860

Tax rate, 1936: General, 12.69; debenture, 10.94; schools, 19.47; supplementary revenue, land only, 3.74; total 46.84 mills.

Total tax arrears, $430,639; last year's levy, $547,063; amount uncollected, $106,540

Assets and Liabilities

Value of assets	$2,707,212
Total debenture debt	4,148,882
Total sinking fund	2,373,464

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,628,307	$1,029,606
Local improvements	439,772	240,642
General	1,797,520	1,089,818
School	283,283	......
Sinking fund surplus	......	13,398
Total	4,148,882	2,373,464

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 59,283	$16,035
Electric light	168,208	97,136
Street railway	‡2,058	‡32,378

*After operating expenses only. †After operating expenses, interest and sinking fund debt. ‡Deficit.

MEDICINE HAT

Medicine Hat owes its sinking fund over $1 million, sinking fund installments unpaid amounting to $571,525 and interest payable on unpaid installments to $454,490. It is possible that this shortage in sinking fund will make some refunding necessary in the future. It is estimated, however, that the city will be able to meet its maturities until 1944 at least without resorting to refunding.

Net debenture debt was reduced in 1936 by $98,348 to $2,378,876. At the same time bank loans were reduced by about $20,000 to $37,591.

Tax collections showed little change in 1936, receipts of current taxes amounting to 69.6% of the levy.

Population: 1936, 9,590.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 891,928
Expenditure	882,759
Assessed value for taxation*	6,963,675

*Less exemptions and tax sale property.

Tax rate, 1936: General, 18.05; library, .85; Alta. Govt., 2; school, 22.60; total, 41½ and 2 mills.

Total tax arrears, $443,600; last year's levy, $325,813; uncollected, $99,125.

Assets and Liabilities

Value of assets	$6,505,841
Total debenture debt	2,725,510
Total sinking fund	1,313,400
Sinking fund in arrears	981,513
Other liabilities	195,858

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,164,937	$663,877
Local improvements:		
Ratepayers' share	169,810	52,274
City's share	191,130	39,900
General	1,199,633	537,349
Total	2,725,510	1,313,400

Public Utilities

	Gross profit	Net profit
Waterworks	$ 56,784	$ 3,691
Electric light	81,159	64,433
Gas	150,862	121,553

EDMONTON

In order to enable the city of Edmonton to avoid default on its debenture obligations, representatives of bondholders presented a plan of adjustment to the city early this year. The plan has been accepted by the city and at the present time steps are being taken by the

(Continued on page 21)

CITY OF EDMONTON

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Population, 85,696.
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R. J. GIBB, *Commissioner.* J. A. CLARKE, K.C. *Mayor.*

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Saskatchewan

Province Faces Serious Financial Difficulties as Result of Seven Years of Poor Crops, and Low Agricultural Prices — Accumulated Deficits on Ordinary Account Total $15.5 Millions

Saskatchewan is faced with serious financial difficulties, obligations having been met in recent years only through assistance from the Dominion Government in the form of loans for agriculture and unemployment relief and to meet maturing debentures. During the past seven years, it has suffered a series of blows as a result of reduction in agriculture prices and poor crops resulting from drought conditions.

During the past eight years, the province has had large deficits on ordinary account, exclusive of unemployment relief and has increased its burden enormously. Accumulated deficits on ordinary account from 1930 to April 30, 1936, totalled $15.5 millions. Public debt has increased by approximately $131 millions in the past eight years.

In the year ended April 30, 1936, there was improvement in the province's budget position, deficit on current account amounting to $929,974 as against $2.7 millions in the previous year.

Real Deficit

The real deficit for the year, however, was much larger since unemployment and agricultural relief charged to capital account was $14.1 millions, compared with $22.2 millions in the previous year. The increase in funded debt in the 1935-36 fiscal period, after deducting sinking funds, was $16.6 millions.

The extent of the province's problem is indicated by the fact that expenditures for relief and agricultural assistance from Sept. 1, 1929, to Dec. 31, 1936, have totalled $102 millions. This sum does not include expenditures by municipalities from their own funds. Of this amount, $29 millions were paid by the Dominion and $4.9 millions by municipalities and individuals, leaving the net cost to the province of $67.7 millions. Included in the latter figure, however, are $8.9 millions of accountable advances from the Dominion Government on account of 1934-35 relief.

Details of revenues and expenditures for the year ended April 30, 1937, are not yet available, but it is stated that the deficit on ordinary account will be larger than in the previous fiscal period. The province's share of relief costs, however, will be lower as a result of assumption of relief in the drought areas by the Dominion Government. Total relief costs in the 1935-36 fiscal period were $20 millions, of which the province's share was $16.4 millions. Relief expenditures in the first nine months of the 1936-37 fiscal year totalled $9.6 millions, of which the net cost to the province was $4.3 millions.

For the current fiscal year, Saskatchewan has budgeted for a deficit of $1.7 million. The temporary subsidy which the province is to receive from the Dominion Government is not taken into account in estimating this deficit.

The Jacoby Tax Commission which sat last year and the Bank of Canada in its investigations into the financial affairs of the province early this year both found the taxation system of the province to be inadequate and inefficient. As a result, additional taxation was provided for in the budget brought down at the 1937 session of the Legislature. Additional revenue arising from these increases, will, however, be offset by increases in expenditures.

The total public debt of the province at Dec. 31 last was $198.5 millions from which should be deducted accountable advances from the Dominion Government of $8.9 millions, leaving a debt of $189:5 millions.

Debt Position
As at Apr. 30, 1936

	$
Debentures	124,446,374
Treasury bills	68,189,134
Less: Sinking funds	9,585,191
Net funded debt	182,050,317
Bank overdraft	1,900,804

PROVINCIAL FINANCES
Revenue

	1935-36	1934-35
Department:	$	$
Dominion subsidy	2,144,975	2,144,975
School lands	1,170,616	1,053,078
Treasury	6,006,994	5,186,896
Attorney-General	684,983	548,206
Provincial secretary	1,498,868	653,745
Public works	229,819	224,072
Highways	3,292,918	2,886,265
Education	201,720	173,222
Agriculture	17,660	27,607
Municipal	20,116	31,179
Public health	46,252	40,744
Child protection	9,002	8,664
Insurance	75,253	74,551
King's printer	9,863	10,934
Legislation	483	357
Publications	521	518
Natural resources	700,069	600,294
Local gov't. board	1,647	2,757
Executive council	200	4,799
Public welfare	12,709	13,869
	16,124,689	13,686,733

Expenditure

	1935-36	1934-35
Department:		
Legislation	144,348	151,108
Executive council	96,932	292,956
Attorney-General	792,042	769,206
Provincial secretary	23,814	23,001
Treasury	7,360,144	7,059,634
Public works	1,225,740	1,220,630
Highways	996,751	984,497
Education	3,106,617	2,631,787
Agriculture	224,109	321,823
Municipal	78,328	78,873
Local gov't. board	25,993	26,881
Public health	1,184,746	1,179,816
Child protection	557,902	521,897
Insurance	4,994	4,945
King's printer	19,376	20,984
Publications	34,608	30,066
Public serv. comm.	8,512	11,447
Superannuat'n adm.	6,764	8,710
Natural resources	448,462	407,729
Old age pensions	643,246	574,918
Public welfare	71,233	75,012
	17,054,663	16,395,914

SASKATOON

Saskatoon is reported to be in a better financial position than at any time since the advent of the depression. For the second successive year the city has reported a surplus, revenue exceeding expenditure by $21,407.

Profits from the city's utilities and surplus earnings from its large sinking fund have offset to some extent poor tax collections. In 1936 the city transferred $102,861 from its sinking fund earnings and a transfer of a further $105,000 in 1937 has been provided for by the budget. Profits on the city's utilities in 1936 amounted to $304,000 while earnings for 1937 are estimated at $318,500.

Net debenture debt was reduced during 1936 by $463,937 to $9,458,654. Bank loans were reduced by $141,182 to $949,831.

While 1936 sinking fund installments are shown to be in arrears to the extent of $90,111, the fund actually has a surplus. Due to unpaid taxes there is a carryover at the end of each year, but such a carryover is always paid into the fund in the succeeding year.

Collections of current taxes amounted to only 61.1% of the levy in 1936.

Population: Present, 41,734; five years ago, 43,025. Area, 8,480 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$1,315,592
Current expenditure	1,294,185
Assessed value for taxation	33,612,143
Exemptions not included	9,592,855

Tax rate, 1936: General, 14.03; debenture 3.96; pub. school, 16; high school, 7.87; library, .98; pub. rev., 2.21; total, 45.05 mills.

Total tax arrears, $3,093,506; last year's levy, $1,757,057; uncollected, $682,711; reserve for taxes, $1,118,606.

Assets and Liabilities

Value of assets	$19,785,703
Total debenture debt	16,455,925
Total sinking fund	6,997,271
Sink. fund arrears	90,111
Bank loans	949,831
Other liabilities	1,417,693

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$4,115,457	$2,350,292
Local improvements:		
Ratepayers' share	2,611,731	1,456,306
City's share	1,291,532	745,180
General	5,545,435	1,598,752
School	2,841,770	625,543
Surplus	......	221,197
Total	16,455,925	6,997,271

Public Utilities

	*Net earnings	†Net profits
Waterworks	$149,910	$61,912
Electric light	407,037	297,835
Street railway	57,159	‡54,293
Motor bus	‡38	‡38

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

REGINA

Regina's tax collections in 1936 amounted to 92.3% of the levy, the highest since 1930. Collections of taxes of all kinds totalled $2,170,908 compared with a levy of $2,418,349. This compares with collections of $2,147,320 in 1935 when the levy amounted to $2,418,349. Current tax collections in 1936 amounted to 60% of the levy compared with 58.8% in 1935.

The auditors' report for 1936 is not available as yet.

Population: Present, 53,034; 10 years ago 39,329. Area, 8,406 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$3,695,739
Current expenditure	3,614,388
Assessed value for taxation	42,554,530
Exemptions not included	14,941,450

Tax rate, 1935: General, 27.43; collegiate 5.80; public schools, 14.55; library, 1.0; govt. tax, 2.17; total, 51 mills. (Separate schools, total 53.95 mills).

Total tax arrears, $1,408,484. Last year's tax levy, $2,418,349; amount uncollected $997,019.

Assets and Liabilities

Value of assets	$24,008,999
Total debenture debt	16,855,423
Total sinking fund	6,582,610
Other liabilities	2,576,960
Sinking fund in arrears	141,061

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$6,643,570	$2,667,143
Local improvements:		
Ratepayers' share	2,427,937	1,085,664
City's share	1,457,365	790,119
General	6,326,551	2,039,684
Total	▲16,855,423	6,582,610

Sinking fund investment, reserve and surplus, $367,091.

▲Includes unsold debentures of $1,865,500 of which $879,728 are hypothecated against bank and provincial government loans.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 295,737	$ 70,937
Electric light	698,487	483,315
Street railway	64,887	‡88,977
	1,059,111	465,275
Less adminis. chgs.	17,000	17,000
	1,042,111	448,275

*After operating charges only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

WEYBURN

Weyburn has been able to maintain a sound financial position throughout the depression, reducing its net debenture debt to $380,462. The reduction in 1936 was $18,807. At the end of 1936 the city owed its sinking fund $31,365 and as a result there was an actual shortage in the sinking fund of $2,772.

At the end of 1936 revenue assets exceeded revenue liabilities by $317,929. The chief items under the latter heading were $24,088 of bank loans, $31,365 due to the sinking fund, $14,755 due to the provincial treasurer and $12,837 accrued debenture interest.

Population: 1936, 5,325; 1926, 4,119. Area, 3,328 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$124,703
Expenditure	147,130

Assets and Liabilities

Value of assets	$1,031,999
Total debenture debt	856,498
Sinking fund	337,109

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$480,000	$148,097
Local improvements	61,498	17,510
General	315,000	171,502
Total	856,498	337,109

PRINCE ALBERT

Population: 1931, 9,905. Area, 9,713 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$382,542
Current expenditure	372,850
Assessed value for taxation	6,721,413
Exemptions not included	3,530,465

Tax rate, 1935. General, 14.09; debenture, 13.61; high school, 3.80; public school, 14.50; separate school, 11.50; prov. rev., 2; total, 48 and 45 mills.

Total tax arrears, $430,569; last year's levy, $371,692; uncollected, $148,094.

Assets and Liabilities

Value of assets	$4,168,504
Total debenture debt	3,421,634
Total sinking fund	1,074,423
Bank loans	154,000
Other liabilities	163,276

†Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$ 580,185	$ 170,261
General	2,841,449	849,746
Sink. fund surplus	......	54,416
Total	3,421,634	1,074,423

†Exclusive of school debt.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$52,631	$10,521
Cap. exp. from rev.	......	483

*After operating expenses only. †After all charges.

MOOSE JAW

Action of the Local Government Board of Saskatchewan in authorizing Moose Jaw to pay only 60% of the interest due on its debentures from July 1, 1937, to June 30, 1938, is to be protested by large bondholders. As objections from holders of 20% of outstanding debentures will compel the board to rescind its order, it is not expected that the reduction will be put in force.

Out of 1936 tax levy of $892,883, over $400,000 had not been collected at the end of the year. Accumulated tax arrears amounted to $1.2 million, about $17,000 lower than at the end of 1935. Of the 1936 levy 52.9% was collected while total collections were 94.6% of the year's levy.

Although gross debt increased $104,051 during 1936, net debt was reduced $45,103 and now amounts to $3,389,570. Total reductions in net debt of $498,309 have been made in the past four years. The city's sinking fund is $250,814 in excess of legal requirements.

Population: Present, 19,782; five years ago, 21,299. Area, 9,760 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,029,103
Expenditure	934,103
Assessed value for taxation	17,942,410
Exemptions not included	9,045,710

Tax rate, 1936: General, 24.50; public rev., 2.15; library, .60; school, 19.25; total, 46.5 mills.

Total tax arrears, $1,221,991; last year's tax levy, $892 883; uncollected, $406,262.

Assets and Liabilities

Value of assets	$10,811,98
Total debenture debt	5,819,463
Total sinking fund	2,429,89
Bank loans	300,02
Other liabilities	1,310,3

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$2,452,939	$1,174,73
Local improvements:		
Ratepayers' share	631,150	268,15
City's share	171,106	48,307
School	271,666	43,37
General	2,292,602	895,31
Total	5,819,463	2,429,89
Sinking fund in excess of legal requirements		$250,814

Public Utilities

	*Net earnings	†Net profits
Waterworks	$95,749	‡36,270

*After operating expenses only. †After operating expenses, interest and sinking fund on debt. ‡Deficit.

SWIFT CURRENT

Swift Current has been operating under a board of supervisors since 1923. Under the terms of the agreement, which expires at the end of 1937, the city is supposed to pay interest on its bonds at the rate of 3½%. Actually this agreement has not been lived up to. In 1932 the city paid 2½%; 1½% in 1933; 1% in 1934; and 1% in 1935. On account of 1936 interest 1½% was paid in May of this year.

Negotiations are under way in regard to an adjustment of the city's debt when the present agreement expires. A committee of the city council has drawn up a tentative plan which proposes that arrears of interest be wiped out and that payment of interest be placed on an income basis for 15 years, the debt to be liquidated in that period.

Population: Present (est.) 5,300; 1926, 4,175. Area, 5,800 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 308,331
Expenditure	319,759
Assessed value for taxation	3,373,478
Exemptions not included	1,185,920

Tax rate, 1936: General, 29.4; schools, 10.6; total, 40 mills.

Last year's tax levy, $144,331; uncollected, $9,631; total tax arrears, $708,127; tax sale lands held, $644,557.

Assets and Liabilities

Value of assets	$1,823,446
Total debenture debt	1,441,126
Total sinking fund	371,502
Floating debt	212,346

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 842,835	$260,415
Schools	246,500	46,750
Other	351,791	64,337
Total	1,441,126	371,502

Public Utilities

	*Net earnings	†Net profits
Waterworks	$17,275	$14,000
Electric plant	39,348	30,047

*After operating charges only. †After operating expenses, interest and sinking fund. No depreciation charged.

(Continued on page 22)

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Alberta

EDMONTON (Cont'd)

(Continued from page 20)

bondholders' committee to secure the consent of the holders of 60% of the bonds. Such consent is necessary before the plan can be put into effect.

Under the plan the city's own debentures held by the sinking fund are to be cancelled. The remaining outstanding debentures are to be exchanged for new debentures dated Jan. 1, 1937, and maturing in 30 years. The new debentures are to bear the same interest rate as the old debentures for which they are exchanged, except that debentures now bearing 7% and 6% interest are to be adjusted to a 4½% basis in the case of the city and a 5½% basis in the case of the Separate School Board by payment in cash of the present value of the difference in interest. The new bonds are to be callable.

In 1936 Edmonton had a deficit of $621,205. While the refinancing plan has not yet received final sanction it is effective Jan. 1, 1937, and the 1937 budget was drawn up accordingly. It provides for a reduction of one mill in the tax rate and a small surplus, compared with last year's large deficit. It is estimated that the saving in debt charges in 1937, resulting from the debt adjustment, is $1,050,089.

The plan provides for liquidation of the present sinking fund. Proceeds of the fund are to be used for retirement of bonds and for a programme of capital works involving an expenditure of $3 millions.

Population: Present, 85,696; five years previously, 79,059. Area, 27,200 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$3,164,592
Current expenditure	3,785,797
Assessed value for taxation	54,063,020
Exemptions not included	14,341,920

Tax rate, 1936: General, 5.34; debenture, 22.66; school, 27; total, 55 mills.

Total tax arrears, $6,154,266; amount of tax levy, $3,756,760; amount uncollected, $739,511.

Assets and Liabilities

Value of assets	$38,730,495
Total debenture debt	36,692,568
Total sinking fund	12,869,903
Other liabilities	2,247,767
Bank loans	1,263,900

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$7,225,104	$2,368,228
Local improvements:		
Ratepayers' share	2,930,199	1,244,492
City's share	22,718,581	8,462,171
School	3,818,684	795,012
Total	36,692,568	12,869,903

Public Utilities

	*Net earnings	†Net profits
Waterworks	$412,607	$129,372
Electric light	313,660	258,954
Street railway	159,879	17,893
Power plant	492,043	334,724
Telephone	376,481	203,150
	1,621,205	905,046

*After operating charges only. †After depreciation, operating expenses, interest and sinking fund.

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Its remarkable versatility and the wide range of its activities; the careful husbanding of its revenues and its strictly orthodox financial methods; and the resilience, courage, and enterprise of its people, which have been of immense assistance to its Government.

Today, British Columbia finds itself in a most encouraging position. Since 1933, production from its basic industries has gone up on a steadily-ascending curve; thousands of wage-earners have been added to the payroll; its revenues continue to rise to new levels; the Province is vibrant everywhere with new developments.

This condition is reflected in our home money market, where British Columbia's Bonds were taken up recently on a 3½ per cent. cost basis—a basis which in itself is a strong expression of confidence in its inherent soundness and stability.

VICTORIA, B.C.

JOHN HART,
Minister of Finance

Manitoba

Reduction in Interest Rate on Bonds Averted by Dominion Government Assistance — Has Best Financial Record of Three Prairie Provinces

Reduction in bond interest early this year by the Province of Manitoba, similar to the cut made by Alberta, was prevented only by the action of the Dominion Government in granting a temporary subsidy and in undertaking to appoint a Royal Commission to investigate the division of taxation powers and financial responsibilities between the provinces and the Dominion.

Manitoba has the best financial record of the three Prairie Provinces and the crisis in the early months of 1936 was as much political as it was financial. Faced with a minority in the House, the Government felt it necessary to reduce its income taxes through revision of its wage tax and to increase expenditures in certain fields. In some instances, Government expenditures had been reduced below a reasonable minimum.

Commending the Manitoba Government for the efforts it has put forth in the past five years to keep its budget balanced, the Bank of Canada, in its report to the Dominion Government, stated that revenues were not adequate or not sufficiently elastic to enable the province to bear the burdens which modern practices of government and the force of the depression have placed upon it. For this reason, temporary assistance from the Dominion was recommended, pending the report of the Royal Commission.

Ordinary Surplus

In the year ended April 30, 1936, Manitoba had a surplus on ordinary account of $121,699, compared with a surplus of $159,435 in 1934-35. The provincial share of unemployment relief, however, was $3,357,027, so that there was a deficit of $3.2 millions if relief costs are taken into account. In addition, the province borrowed and reloaned to the municipalities $1.2 million for relief purposes.

Details for the year ended April 30, 1937, are not available as yet, but it is expected that revenues and expenditures, exclusive of relief, will be in approximate balance.

For the 1937-38 fiscal year, ordinary revenues have been estimated at $14,169,873 and ordinary expenditures at $14,642,648, leaving an estimated deficit of $472,775. The temporary subsidy of $750,000 which the province is to receive from the Dominion Government was not taken into revenue figures so that there will once again be a surplus on ordinary account.

Total relief expenditures of the Dominion, provincial and municipal governments in the period from Oct. 1, 1930, to Dec. 31, 1936, have amounted to $49.9 millions, of which the provincial share has been $17.5 millions.

Debt Position
As at Jan. 31, 1937

	$
Debentures	94,962,480
Treasury bills	25,119,618
Exchequer bonds	2,198,200
Less: Sinking fund	2,783,463
Self-sustaining & secured debt	*51,640,495
Net debt	72,836,061

*Sinking funds for self-sustaining and secured debt totals $6,862,703 and replacements funds for telephones and Manitoba Power Commission $6,866,465.

PROVINCIAL FINANCES
Revenue

Department:	1935-36 $	1934-35 $
Dominion of Canada	1,786,923	1,716,484
Attorney-General	1,427,410	1,221,346
Agricul. & immigra.	6,371	2,850
Education	119,963	145,039
Legislation	4,331	4,566
Provincial secretary	49,836	61,872
Public works	117,128	116,607
Treasury	1,671,351	1,665,695
Munic. commissioner	7,233,352	7,162,423
'Phones & telegraphs	992,225	1,049,095
Health & pub. w'fare	266,036	238,158
Old age pensions	273,873	380,120
Min. & nat. resources	611,774	619,606
	14,560,573	14,383,862

Expenditure

Department:		
Public debt	6,821,253	6,974,494
Legislation	165,395	171,759
Executive council	28,519	26,241
Treasury	120,558	116,891
Prov. secretary	23,225	23,976
Education	1,735,197	1,697,394
Agricul. & immigra.	206,562	259,144
Attorney-General	672,953	627,327
Public works	1,394,505	1,206,022
Municipal comm.	175,095	170,869
Health & pub. w'fare	1,975,452	1,829,459
Mines & nat. resour.	480,497	481,104
Old age pensions	639,663	589,746
	14,438,873	14,224,427

ST. BONIFACE

St. Boniface had a deficit of $319,000 in 1936 on general revenue account after charging cost of relief, unpaid interest and sinking fund installments. Cash receipts, however, exceeded expenditures by approximately $160,000. This enabled the city to increase its cash in the bank from $57,705 to $162,354 and to purchase $65,000 of province of Manitoba bonds. For the first time in seven years total tax collections, including arrears, amounted to 100% of the levy.

In default since Nov. 1, 1932, the city owes $815,937 in debenture principal and $1,106,311 in interest. Sinking fund arrears amounted to $2,513,113.

The city operates under the supervision of the provincial department of municipal affairs. W. C. McKinnell is the supervisor.

Population: Present, 16,246; five years ago, 16,800. Area, 11,641 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 599,982
Expenditure	917,936
Assessed value for taxation	8,706,010
Exemptions not included	3,575,240

Tax rate, 1936: General, 12; school, 22; debenture 25; prov. govt., 1.5; total, 60.5 mills.

Total tax arrears, $336,515; tax sale titles and certificates, $3,163,426; last year's levy, $619,961; uncollected, $180,144.

Assets and Liabilities

Value of assets	$3,968,020
Total debenture debt	4,748,161
Total sinking fund	†2,965,325
Sinking fund arrears	2,513,113
Other liabilities	135,970

† Computed.

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 694,120	690,089
Local improvements:		
Ratepayer's share	776,980	
City's share	644,692	
General	2,500,007	
Instal. debs., bridges	132,360	
Total	*4,748,161	690,089

* Includes matured debentures in default $815,937. Debenture interest in default was $1,106,311 at Dec. 31, 1936.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 64,335	$ 10,624

* After operating expenses only. †After operating expenses, interest and sinking fund charges.

WINNIPEG

Winnipeg, the capital of Manitoba and Canada's fourth largest city, is faced with a serious financial problem. Heavy relief costs and reduction in tax receipts as a result of depressed business activity and lower assessments have gradually impaired the city's current position.

Net debenture debt of the city declined by $528,406 in 1936, but this is more than offset by an increase in floating indebtedness, which includes bank loans and treasury bills, of $572,474. During the past four years net debenture debt has declined by $7.5 millions.

On general account the city had a surplus of $353,313 in 1936, exclusive of unemployment relief. The surplus, however, was arrived at only after taking in as revenue a surplus of $563,228 from 1935. The city's share of unemployment relief, $1.6 million was capitalized so that the relief deficit, if the 1935 surplus is excluded was $1.8 million.

In the years 1931-36 inclusive, relief in the city of Winnipeg has cost $20.4 millions of which the city's share has been $8.4 millions.

Current tax collections in 1936 amounted to 71.2% of the levy, compared with 68.5% in 1935.

Population: Present, 224,533; 1921, 179,087. Area, 15,287 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Budget revenue	$11,014,179
Budget expenditure	10,660,865
Assessed value for taxation	198,321,430
Exemptions not included	50,908,340

Tax rate, 1936: 34½ mills.

Total tax arrears, $5,523,597; last year's levy, $9,235,524; uncollected, $2,657,158.

Assets and Liabilities

Value of assets	$63,817,390
Total debenture debt	64,777,640
Total sinking fund	32,426,387
Floating debt	7,590,983

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$37,603,054	$17,175,373
Local improvements:		
Ratepayers' share	7,038,844	5,041,755
Schools	8,250,000	3,782,838
General	11,885,742	6,426,420
Total	64,777,640	32,426,387

Public Utilities

	Revenue	†Net profits
Waterworks	$1,330,167	▲$65,272
Electric light	3,569,952	33,819
General	11,869,375	353,313
Steam heating	389,036	8,513

†After operating and fixed charges. ▲After transferring $150,000 to general account.

BRANDON

Default by the city of Brandon on March 1 of this year, following the appointment of E. A. McPherson, K.C., as supervisor, did not come as a surprise. The city had been struggling to stave off default for several years. Manipulation of its sinking fund and assistance from the Provincial Government enabled it to carry on throughout the depression years.

Arrears of taxes outstanding increased by $50,000 in 1936 to $570,056. Percentage of current taxes collected was low, amounting to only 57.3% of the levy. This compares with a collection of 57.5% in 1935.

Population: Present, 17,417; five years previously, 17,615. Area, 5,270 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 636,470
Expenditure	589,789
Assessed value for taxation	11,129,008
Exemptions not included	6,988,195

Tax rate, 1936: General and debenture, 24.5; school, 15.5; total, 40 mills.

Total taxes in arrears, $579,056; last year's tax levy, $491,358; amount uncollected, $209,658.

Assets and Liabilities

Value of assets	$3,270,707
Total debenture debt	2,930,823
Total sinking fund	1,680,492
Sinking fund in arrears	237,574
Other liabilities	589,018

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$669,415	$452,117
Local improvements:		
Ratepayers' share	441,889	299,403
City's share	22,339	6,855
General debentures	1,797,180	1,159,691
Total	2,930,823	*1,918,067

*Includes $237,574 of arrears; actual fund amounts to $1,680,492.

Other Debentures Not Included Above

Schools, etc.	$704,000	$330,637
Bonds guaranteed	......	93,500

Public Utilities

	*Net earnings	†Net profits
Waterworks	$54,035	$8,529
Cemetery	202	202

*After operating charges only. †After depreciation, operating charges, and interest and sinking fund on debt.

PORTAGE LA PRAIRIE

Population: Present, 6,449; five year ago, 6,025. Area, 5,691 acres.

Income and Assessment
Year Ended Dec. 31, 1934
(Latest available)

Current revenue	$ 105,041
Current expenditure	116,101
Assessed value for taxation	4,220,161
Exemptions	2,935,404

Tax rate, 1934: General, 23.528; debentures, 4; schools, 13; parks, 1.750; municipal comm., .722; total, 43 mills.

Total tax arrears, $141,119; last year's levy, $188,421; uncollected, $68,452.

Assets and Liabilities

Value of assets	$1,758,563
Total debenture debt	1,184,500
Total sinking fund	538,397

Debenture Debt

	Deb.'s outstand.	Sink. fund on hand
Public utilities	$ 899,000	$405,648
General	285,500	132,749
Total	$1,184,500	$538,397

Public Utilities

	*Net earnings	†Net profits
Waterworks	$43,476	‡$2,160
Electric light	25,037	8,247

*After op. charges. †After all charges. ‡Deficit.

British Columbia

Has Staged Spectacular Recovery to Re-enter Bond Market This Year With a $3 Millions Issue — Reports Large Surplus on Ordinary Account

In a precarious financial position two years ago, British Columbia has staged a spectacular recovery, its credit having improved to such an extent that early this year it was able to sell a $3 millions bond issue to a group of institutional investors. While no official announcement has been made it is understood that the loan was obtained at a cost basis of 3½%, the lowest rate ever obtained by British Columbia in the Canadian market.

During the depression years British Columbia, barred from the money markets because of its poor credit standing, was able to meet its obligations only through assistance from the Dominion Government. As at March 31 last total borrowings by the province from the Federal Government amounted to $30.3 millions of which $11.2 millions was for the purpose of meeting bond maturities and $19.1 millions for relief.

Considered to be on the verge of default early last year when it could no longer obtain funds from the Federal Government for the purpose of meeting bond maturities, the province surprised the financial community by paying off a $3.5 millions maturity on May 15 out of accumulated cash arising from ordinary account surpluses.

During the past three fiscal years the province has had a substantial surplus on ordinary account, exclusive of unemployment relief. Surplus in the year ended March 31, 1935, amounted to $1.1 million and in the year ended March 31, 1936, to $2.5 millions. While final details are not yet available it is estimated that the ordinary surplus in the year ended March 31, 1937, will amount to $2¼ millions. This amount it to be applied toward the provincial share of unemployment relief which was formerly borrowed from Ottawa.

Business activity in British Columbia has recorded a sharp recovery and as a result Government revenues have risen sharply. In the year ended March 31, 1936, revenues of $25.8 millions established a new peak. A further sharp rise was experienced in the 12 months ended March 31, 1937, revenues being estimated at $27.9 millions.

The province has the honor of being the only province to report a surplus on ordinary account in each of the past three fiscal years. Its main problem, then, is to find sufficient funds to enable it to meet all its unemployment relief expenditures which in the 1935-36 fiscal year amounted to $8.6 millions. If business continues to improve and relief expenditures decline the province may be able to report a really balanced budget in the near future.

Gross funded debt as at March 31, 1937, is estimated at $187 millions, an increase over 1933 of $20 millions. Net debt is estimated at $151.4 millions, an increase of $14.5 millions since 1933.

British Columbia has no large maturities to meet until 1939 when $8.3 millions of bonds fall due. By that time the Government hopes that its credit will be sufficiently restored to enable it to sell a refunding issue in the open market. Maturities totalling $1.5 million can be met out of earnings of the Government's large sinking fund.

Debt Position
As at March 31, 1936

	$
Gross funded debt*	178,001,547
Less: Sinking funds	31,058,958
Net debt	146,942,589
Provincial guarantees†	46,277,857

*Includes $20,160,000 Pacific and Great Eastern Railway bonds guaranteed by the

(Continued on page 24)

Saskatchewan

(Continued from page 21)

YORKTON

Although relief expenditures have been paid out of current revenue, Yorkton has been able to balance its budget in each of the past six years. Operations, in fact, have been conducted on a cash basis.

Net debenture debt stands at $231,918, a reduction of $28,426. Per capita debenture debt amount to about $46 which is considerably lower than the average for Saskatchewan cities. Debenture debt, as shown above, includes $66,618 of unsold debentures which are hypothecated against capital bank loans of $61,825.

Current assets amount to $325,717 as against current liabilities of $160,075. Current bank loans at $62,500 are $4,800 lower than in the previous year.

Population: Present, 5,051; five year previously, 5,000. Area, 2,800 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 166,149
Expenditure	161,341
Assessed value for taxation	3,973,131
Exemptions not included	2,138,305

Total tax arrears, $270,879; last year's levy, $189,991; uncollected, $67,265.

Assets and Liabilities

Value of assets	$ 771,690
Total debenture debt	231,918
Bank loans	124,325
Other liabilities	98,812

Debenture Debt

	Debentures outstanding
Public utilities	$102,374
Other	129,544
Total	$231,918

Public Utilities

	*Net earnings	†Net profits
Waterworks	$16,932	$1,353

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

NORTH BATTLEFORD

North Battleford is one of the best managed municipalities in western Canada. In 1936 it reduced its net debenture debt a further $33,411 to $459,543, bringing the total reduction in the last four years to $146,000.

The balance sheet as at Dec. 31 last shows an excellent current position, current assets exceeding liabilities by $51,741. Current liabilities amount to only $95,279, the chief items being accounts payable of $37,082, bank loans of $10,000 and accrued interest on debentures of $25,544.

Population: Present, 4,719; five years previously, 4,787. Area, 4,450 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 114,807
Expenditure	129,983
Assessed value for taxation	3,273,540
Exemptions not included	1,585,635

Tax rate, 1936: General, 9.28; debenture, 6.61; school, 23.70; prov. levy 2.41; total, 42 mills.

Total tax arrears, $111,316; last year's tax levy, $161,017; uncollected, $27,866.

Assets and Liabilities

Value of assets	$ 710,951
Total debenture debt	1,004,441
Total sinking fund	544,898
Other liabilities	95,279

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$404,000	$173,241
Local improvements	214,441	89,509
School	155,000	105,593
General	231,000	176,555
Total	1,004,441	544,898

Public Utilities

	*Net earnings	†Net profits
Waterworks	$28,359	$12,900
Electric light	16,353	12,972

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

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MOTORISTS!
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EACH successive year has seen motor traffic greatly increased. With this increase there has come, unfortunately, an increase in traffic accidents.

It is the duty of those responsible for the regulation of the traffic, and of every individual who operates a motor vehicle, to do everything possible to reduce these ever-mounting and alarming accident figures.

The Government and my department have taken every precaution within *our* means to make motoring safe. We have built wider highways, have painted traffic lines on the pavements, have erected signs at every curve, intersection and railway crossing, have continuously patrolled the roads with uniformed police and in many other ways have striven earnestly to reduce traffic accidents.

And you, Mr. and Mrs. Motorist, truck-driver and motorcyclist! Have you done everything *you* possibly can to prevent accidents that may kill *you* and your family or some other persons to whom life is also sweet?

If you will just remember to Try Courtesy in all your thinking and driving in a motor vehicle you will have made your greatest possible contribution to the reduction of motor vehicle accidents.

Please remember there will be more traffic than ever this season and there will be more accidents and deaths, too, (and that may include you) unless there is more Courtesy shown by *every* motorist towards every other motorist.

So, again, I beg of you to "*Try Courtesy*" every inch of the way this season. Do that and you will get safely to where you are going and safely back again.

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MINISTER OF HIGHWAYS
PROVINCE OF ONTARIO

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Province of Quebec

Budget Provides For Surplus on Ordinary Account in Contrast to Deficit of $1.9 Million in 1936 — Province's Credit Rating Stands High Although Funded Debt is Doubled in Five-year Period

Quebec continues to enjoy a good credit rating although it more than doubled its debt in the five years ended June 30, 1936. Funded debt in this period increased from $69.2 millions to $149.7 millions. In the year ended June 30, 1936, net debenture debt increased $11.7 millions and treasury bills outstanding by $12.5 millions.

Deficit in the year ended June 30, 1936, amounted to $1.9 million on ordinary account but if special expenditures such as unemployment relief are included then the real deficit was $19.5 millions.

In the current fiscal year it is expected that there will be a substantial surplus on ordinary account. In the eight months ended March 31, 1937, ordinary receipts totalled $26.7 millions as against disbursements of $27.9 millions, a deficit of $1.2 million. For the same period of the previous year there was a deficit of $6.8 millions.

For the 1937-38 fiscal year the Government has estimated a surplus of $38,040 on ordinary account. Direct relief and public charities expenditures are estimated at $14.9 millions and public works and other expenditures on capital account at $16.4 millions so that the over all deficit will be $31.3 millions.

Aside from relief expenditures large outlays on roads have been the principal reason for the increase in Quebec's debt in recent years. The province has embarked on a large programme of road improvement in order to attract tourists.

Debt Position
As at June 30, 1936

Total funded debt	$149,747,607
Treasury bills	26,575,000
Less: Sinking fund	19,103,991
Net funded debt	157,218,616

PROVINCIAL FINANCES

Revenue

Department:	1935-36 $	1934-35 $
Dominion subsidy	2,464,553	2,464,553
Natural resources	6,095,213	4,622,837
Liquor commission	2,125,013	1,087,254
Gasoline duties, etc.	5,790,624	5,115,439
Corporation taxes	6,182,182	4,456,093
Succession duties	4,697,618	3,401,574
Motor vehicle tax	5,920,316	5,502,825
Interest	1,230,238	1,238,375
Other taxes	913,630	448,806
Treasury insur.	125,120	122,360
Liquor permits	1,773,886	1,750,139
Prov. secretary	67,549	70,785
Public works	267,387	218,939
Labor dept.	64,629	63,812
Game & fisheries	26,068	22,861
Justice	79,533	106,628
Sundry	842,740	1,291,604
	38,666,299	31,984,885

Expenditure

Department:		
Public debt	9,517,358	8,546,249
Civil government	2,859,977	2,534,933
Admin. of justice	2,616,247	2,442,650
Education	4,023,769	3,755,635
Public works	2,032,814	1,825,954
Agriculture	3,575,830	3,189,346
Roads & mines	6,709,908	5,146,746
Lands & forests	1,866,753	2,128,715
Coloniz., games & fish.	2,369,793	2,616,735
Legislation	[illegible]	737,371
Lunatic asylums	1,132,747	1,130,382
Industrial schools	298,753	318,120
Health	780,571	731,954
Charities	......	24,790
Municipal affairs	73,513	85,955
Labor	552,504	505,451
Sundry	1,242,854	1,226,135
	40,589,474	36,924,121

GRANBY

Granby enjoys a sound financial position, having a low debenture debt, no bank loans and good tax collections.

The city's balance sheet as at Dec. 31 last shows a strong current and capital position. Its only current liabilities were $13,454 of accounts payable while current assets amounted to $60,639. Cash on hand and balance due from the Provincial Government were more than sufficient to liquidate the current liabilities. Total assets exceeded total liabilities by $340,000.

Net debenture debt declined by $12,766 to $590,964 in 1936.

Population: Present, 12,573; 1930, 9,421. Area, 960 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 156,340
Expenditure	155,375
Assessed val. for taxation	6,724,743

Tax rate, 1936: General, $1. Tax arrears collected, $22,449.

Assets and Liabilities

Total assets	$1,069,717
Total debenture debt	623,015
Sinking fund reserve	27,337

GRAND 'MERE

Grand' Mere improved its financial position in 1936, capital and current liabilities both being reduced. Net debenture debt was reduced by $6,000, bank loans by $10,000 and other liabilities by $7,030.

On current operations the city had a surplus of $2,931 and collections of current taxes amounted to about 93% of the levy. Deficits of the housing, waterworks and toll bridge departments were offset by a profit of $18,745 in the electric light department.

Population: Present, 8,000; seven years previously, 7,800. Area, 1,945.3 acres.

Income and Assessment
Year Ended Jan. 31, 1937

Revenue	$ 278,682
Expenditure	275,751
Assessed value for taxation	15,517,512
Exemptions not included	none

Tax rate, 1936-37: General, 2.50; debenture, 6; school, 7.60; total, 16.10 mills.

Total tax arrears, $20,931; last year's tax levy, $142,925; uncollected, $10,043.

Assets and Liabilities

Value of assets	$2,341,319
Total debenture debt	1,842,200
Total sinking fund	163,773
Other liabilities	43,997
Bank loans	20,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 729,749	$ 87,066
General	1,112,451	76,707
School	636,700	64,397
Total	2,478,900	228,170

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 11,778	$ ‡1,814
Electric light	25,591	18,745
Bridge	22,651	‡6,170
Housing	1,626	‡3,640

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

HULL

Tax collections of the city of Hull showed marked improvement in the year ended April 30, 1937, tax arrears being reduced by $49,939 to $451,029. Percentage of current taxes collected increased from 68.3% to 70.9%.

Net debenture debt increased by $9,000 during the year, but bank loans were reduced by $44,900 to $27,000. Miscellaneous liabilities also show substantial reduction.

After providing for the city's share of relief costs there was a deficit of $21,777 on current account, compared with a deficit of $39,453 in 1935-36.

The balance sheet shows a strong current position, current assets exceeding current liabilities by $354,979.

Population: Present, 30,154; five years ago, 29,432. Area, 4,000 acres.

Income and Assessment
Year Ended Apr. 30, 1937

Current revenue	$903,859
Current expenditure	883,837
Assessed value for taxation	18,835,014
Exemptions not included	14,596,950

Tax rate, 1936-37, total, 18 mills.

Tax arrears, $451,029; last year's levy, $892,899; uncollected, $201,075.

Assets and Liabilities

Value of assets	$6,077,998
Total debenture debt	4,513,300
Total sinking fund	404,874
Bank loans	27,000
Other liabilities	103,671

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$1,116,708	$10,033
Local improvements	1,881,368	274,855
General	1,515,224	119,986
Total	4,513,300	404,874

Public Utilities

	*Net earnings	†Net profits
Waterworks	$99,593	$3,874

*After operating charges only. †After operating expenses, interest and sinking fund charges.

LACHINE

Lachine is adjacent to Montreal and operates under the supervision of the Montreal Metropolitan Commission. During the past three years net debenture debt has increased by $554,506, the increase in 1936 being $47,349. Bank loans increased in 1936 by $143,861 to $229,187. Current assets exceed current liabilities by $154,143.

Surplus on general account before providing for reserves and special expenses amounted to $57,118, revenues totalling $646,760 and expenses $589,642.

Population: Present, 19,151; five years ago, 19,194. Area, 2,996 acres.

Income and Assessment
Years Ended Dec. 31, 1936

Current revenue	$ 610,465
Current expenditure	608,552
Assessed value for taxation	19,847,041
Exemptions not included	7,111,340

Tax rate, 1936: General, 16.70; schools: prot., 10.00; neutral, 12.00.

Total tax arrears, $441,956; last year's levy, $725,393; amount uncollected, $203,253.

Assets and Liabilities

Value of assets	$6,681,314
Total debenture debt	5,710,989
Total sinking fund	1,341,258
Bank loans	229,187
Other liabilities	104,490

OUTREMONT

Outremont completed its 1936 financial operations with a surplus of $5,085, compared with $4,661 in 1935.

During the year the city reduced its net debenture debt by $132,563 to $4,239,222. The city has no bank loans, but other liabilities amount to $482,948.

Tax collections improved, total accumulated arrears of taxes being reduced from $488,549 to $396,682.

Population: Present, 29,719; five years ago, 28,641. Area, 975 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	*$1,294,127
Expenditure	1,289,041
Assessed value for taxation	36,097,312
Exemptions	8,101,613

Tax rate, 1936: 23.58 mills.

Total tax arrears, $396,682; last year's levy, $948,380; uncollected, $222,187.

*Including school tax reserve $301,256.

Assets and Liabilities

Value of assets	$8,317,755
Total debenture debt	5,946,746
Sinking fund	1,707,524
Other liabilities	482,948
Reserves and surplus	180,537

MONTREAL

Tax arrears for the city of Montreal were reduced by $5,912,482 in the year ended April 30, 1936, and amounted to $15,396,338 at that date. The city was also able to show current revenue in excess of current expenditure by $116,250 in contrast to a series of deficits reported for several years previously.

Net debenture debt increased $3,104,024 from Oct. 31, 1935, to April 30, 1936. Bank loans also increased $4,190,000 during this period, amounting to $17,615,000 at April 30, 1936.

In its budget for the period from May 1, 1937, to April 30, 1938, Montreal shows approximate actual revenue of $47,957,608 for the 1936-37 period which was just equal to the approximate expenses for the same period.

The budget estimates total revenue at $48,329,010 compared with actual revenue of $48,097,558 in 1935-36 and approximate actual revenue of $47,957,608 in 1936-37. While budgeted expenses of $48,329,010 for 1937-38 are slightly lower than the estimate for the preceding year, they are still over $2 millions greater than in 1934-35 and about $230,000 greater than approximate actual expenses for 1936-37.

Montreal has been faced with financial troubles for the past few years, but the city administration has not shown much tendency to curb its extravagant spending. Rather it has looked for higher revenues as a means out of its difficulties. The recent city of Montreal bill, which was passed by the Quebec Legislature in an amended form, proposed a series of new taxes, some of which were discriminatory and others particularly aimed at non-residents. In 1937 the city will receive special payments of $1 million from the Montreal Tramways Co., $300,000 from Montreal Light, Heat & Power Consolidated, and $150,000 from Bell Telephone Co.

Population: Present, 863,000; five years ago 818,577. Area, 32,254 acres.

Income and Assessment
Year ended April 30, 1936

Revenue	$35,112,797
Expenditure	34,996,547
Assessed value for taxation	931,256,105
Exemptions not included	321,088,700

Tax rate, 1935-36: General, 17.84; school, 10; total 27.84 mills. Catholic schools 7; neutral 12.

Total tax arrears, $15,396,338; last year's levy, $25,039,912; uncollected, $7,947,841.

Assets and Liabilities

Value of assets	$269,967,764
Total debenture debt	275,584,877
Sinking fund	31,467,934
Other liabilities	14,323,375
Bank loans	17,615,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$55,270,633	not segregated
Local improvements:		
Ratepayers' share	36,491,065	
City's share	7,043,971	
General	176,779,208	
Total	275,584,877	31,467,934

Bonds guaranteed $61,029,210.

QUEBEC

The city of Quebec, capital of the Province of Quebec, reported an excess of ordinary expenditure over ordinary revenue of $6,094 for the year ended April 30, 1936. This compares with a deficit of $207,919 for the preceding year.

The city's floating debt was $4,292,534 at April 30, 1936, a small reduction from the $4.6 millions reported a year earlier.

Total tax collections, including collections on account of previous years arrears, exceeded the amount of the current levy.

For the fiscal period ended April 30, 1937, city of Quebec tax collections increased $94,591 as compared with the preceding fiscal period. Including collections on arrears of taxes, total collections during the 1936-37 period were 103% of the current year's levy. Total collections for 1936-37 were $5,635,027 compared with $5,540,437 for the preceding period.

Population, Present, 147,000; five years ago, 136,172. Area, 5,755 acres.

Assessment and Taxation
As at April 30, 1936

Current revenue	$5,732,670
Current expenditure	5,738,764
Assessed value for tax.	117,547,734
Exemptions not included	54,370,793

Total tax arrears (excluding current year's levy), $3,026,998; last year's levy, $4,975,854

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
General	$36,350,078	$3,885,957

Assets and Liabilities

Value of assets	$27,130,601
Total debenture debt	31,350,078
Total sinking fund	3,885,957

ST. HYACINTHE

St. Hyacinthe increased its net debenture debt by $164,581 in 1936. Collections of current taxes amounted to 84.8% of the levy. Net profit, after all charges, on the electric light and waterworks systems amounted to $6,626.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$ 484,965
Current expenditure	458,755
Assessed value for taxation	12,654,740
Exemptions not included	3,912,000

Tax rate, 1937: General, 7; school, 8, total, 17 mills.

Tax arrears, accumulated, $49,751; last year's levy, $175,718; uncollected, $26,621.

Assets and Liabilities

Value of assets	$3,216,392
Total debenture debt	1,708,172
Total sinking fund	52,779
Other liabilities	41,892

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$ 650,100	......
Local improvements	1,058,072	$52,777
Total	$1,708,172	$52,779

SHERBROOKE

Sherbrooke increased its net debenture debt by $369,297 to $4,638,812 in 1936. The increase, however, was offset in part by liquidation of bank loans of $241,000.

Surplus for the year amounted to $94,273, compared with a surplus of $35,712 in 1935. Collections of current taxes and arrears of taxes both recorded improvement. Accumulated arrears were reduced during the year by $41,136 to $246,934.

Capital account shows assets exceeding liabilities by $3.7 millions. Current assets amount to $650,737 as against current liabilities of $494,014.

Population: Present, 30,908, five years previously, 28,777. Area, 3,104 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,382,216
Expenditure	1,100,129
Assessed value or taxation	26,560,290
Exemptions not included	15,553,245

Tax rate, 1936: General, 11; school, 7 or 10; total, 18 or 21 mills.

Total tax arrears, $246,934; last year's tax levy, $589,054; amount uncollected, $133,407.

Assets and Liabilities

Value of assets	$12,559,068
Total debenture debt	6,236,000
Total sinking fund	1,597,188
Other liabilities	492,014

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,382,000	$176,663
General	4,854,000	1,420,525
Total	6,236,000	1,597,188

Bonds guaranteed, $75,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$40,082	$24,767
Electric light	130,368	61,691
Gas	4,676	676
Tax dept.	106,958	7,138

*After operating charges only. †After operating expenses, interest and sinking fund charges.

SOREL

Population: Present, 10,727; five years previously, 10,312. Area, 2,000. acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$ 176,718
Current expenditure	187,143
Assessed value for taxation	5,022,000
Exemptions not included	2,821,300

Tax rate, 1935: General, 14; debenture, 7; school, 10.5; total, 31.5 mills.

Total tax arrears, $82,194; last year's levy, $176,718; uncollected, $47,829.

Assets and Liabilities

Value of assets	$1,293,966
Total debenture debt	1,337,900
Bank loans	9,182
Other liabilities	7,292

Debenture Debt

	Debentures outstanding
Public utilities	$ 429,800
General	573,100
School	359,000
Other	135,000
Total	1,496,900

Public Utilities

	*Net earnings	†Net profits
Waterworks	$17,284	‡$11,584
General	62,683	‡3,840

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

ST. LAMBERT

Population: 1931, 6,055; five years previously, 6,000. Area, 1,192 acres.

Income and Expenditure
Year Ended Dec. 31, 1935

Revenue	$301,319
Expenditure	351,246

Total tax arrears, $105,436; 1935 tax levy, $232,400.

Assets and Liabilities

Value of assets	$4,296,991
Total debenture debt	3,417,814
Less: Sinking fund	466,557
Net debenture debt	2,951,257
Bank loans	304,925
Housing loans	670,132

THREE RIVERS

Three Rivers had a surplus of approximately $12,000 in the year ended Dec. 31, 1935, on ordinary account.

The city had bank loans of $1,557,779 outstanding at Dec. 1, 1936. Taxes collected from Jan. 1, 1936, to Nov. 30, 1936, totalled $1,274,784, a decrease of $8,322 over the corresponding period of 1935.

The city's financial statements for the year 1936 are not available.

Population: 1935: 40,185. Area, 25,600 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$1,554,431
Current expenditure	1,542,500
Assessed value for tax. (1936)	28,167,950

Tax levy, 1935: $1,122,883; uncollected, $423,473.

Tax rate, 1935: 1.30%.

Assets and Liabilities

Value of assets	$12,515,567
Total debenture debt	10,317,400
Total sinking fund	1,722,388

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,587,330	$ 253,029
Local improvements	5,128,985	621,238
General	3,101,085	612,355
Other	500,000	235,765
Total	10,317,400	1,722,388

Public Utilities

Waterworks	$115,611	$11,181
Ferry	14,741	3,785

WESTMOUNT

Westmount, a self-contained residential municipality surrounded by the city of Montreal, has one of the strongest financial positions of Canadian cities with a population of over 25,000.

On 1936 operations the city had a surplus of $10,954, compared with a deficit in the previous year. Tax collections showed improvement during the year, accumulated arrears being reduced by $51,493.

Net debenture debt was reduced during the year by $94,752 to $4,474,201. The city has a substantial amount of cash on hand and has no bank loans.

Population: Present, 25,000; five years previously, 25,000. Area, 976½ acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,267,137
Expenditure	1,256,183
Assessed value for taxation	67,107,992
Exemptions not included	12,968,810

Tax rate, 1936: General, 13; school, 10; debenture, 3½; land & buildings, 23 mills.

Total tax arrears, $627,474; last year's levy, $1,580,386; uncollected, $307,728.

Assets and Liabilities

Value of assets	$9,085,012
Total debenture debt	6,670,667
Total sinking fund	2,196,466
Sinking fund surplus	183,260
Current liabilities	100,101

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Electric light	$425,000	$358,447
General	6,245,667	1,838,019
Total	$6,670,667	$2,196,466

Public Utilities

	*Net earnings	†Net profits
Electric light	$191,146	$99,561

*After operating charges only. †After operating charges, interest and sinking fund charges.

VERDUN

Verdun had a very satisfactory year in 1936, operations showing a surplus of $33,773 after making provisions for uncollectible taxes. Surplus in 1935 amounted to $18,654.

Net debenture debt was reduced in 1936 by $346,183 to $7,643,800. In 1935 net debenture debt increased by $308,653.

Arrears of taxes were reduced during the year from $589,813 to $536,052.

The total cost of unemployment relief for the year was $898,508. The net cost to the city was $296,224.

Population: 1936: 62,148; five years ago, 54,000. Area, 1,426½ acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$1,744,675
Expenditure	1,710,901
Assessed value for taxation	42,545,250
Exemptions	7,620,630

Tax rate, 1936: General, 85c.; special, 65c.; schools, aver., $1.

Tax arrears, $535,052; last year's levy, $1,744,675; uncollected, $389,512.

Assets and Liabilities

Value of assets	$12,894,396
Total debenture debt	9,891,900
Sinking fund reserve	2,157,412

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities*	$ 100,000	$ 8,313
Local improvements	1,747,200	398,649
General	7,034,701	1,707,729
Other	1,009,999	42,721
Total	9,891,900	2,157,412

*Housing.

C.P.R. Seeks Approval On A. and N.R. Line Lease

MONTREAL.—An application will be made to the Board of Railway Commissioners for Canada on June 22 next by the Canadian Pacific Railway, for approval of an agreement leasing to the C.P.R. the railway and undertaking of Atlantic and Northwest Railway Co.

The line involved in the agreement extends from the point of connection between the C.P.R. and the Ontario Quebec Railway Co. on the south bank of the St. Lawrence River near Montreal, to Farnham, and from Brookport to a point near Mattawamkeag on the Maine Central Railway. The lease is for a period of 999 years from Jan. 1, 1937.

Joins International Paints

MONTREAL. — John F. Belyea, president of Gordon and Belyea Ltd., Vancouver, has been elected a director of International Paints (Canada) Ltd., Montreal.

Expect Tourists to Spend $325 Millions in Canada

Tourists visiting Canada this year will spend at least $325 millions and probably more than that amount, according to D. Leo Dolan, director of the Canadian Travel Bureau at Ottawa. The estimated total is larger than the $309 millions spent in 1929, the former peak tourist travel year.

Increased volume of tourist enquiries from every state in the union indicates the highest point ever reached in the number of U.S. visitors this year. To date enquiries reaching the travel bureau total 48,767 against 26,295 at this time last year, and much of the increased tourist trade this season will constitute "repeat business" from visitors who intend to visit parts of Canada which were not reached on previous visits.

The bulk of tourist traffic is from the U.S. but the British Isles and Europe will be widely represented this season, the enquiries indicate.

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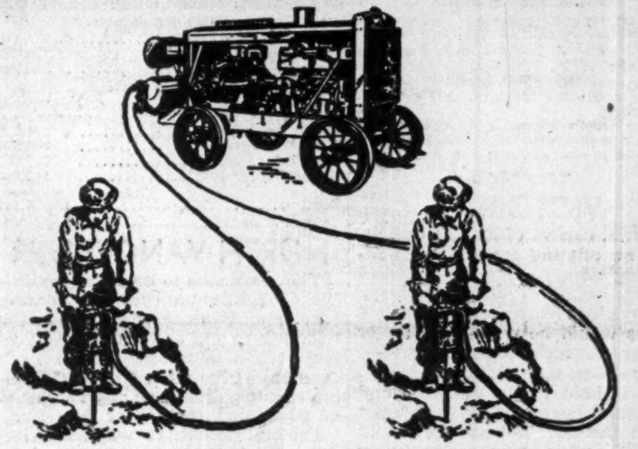

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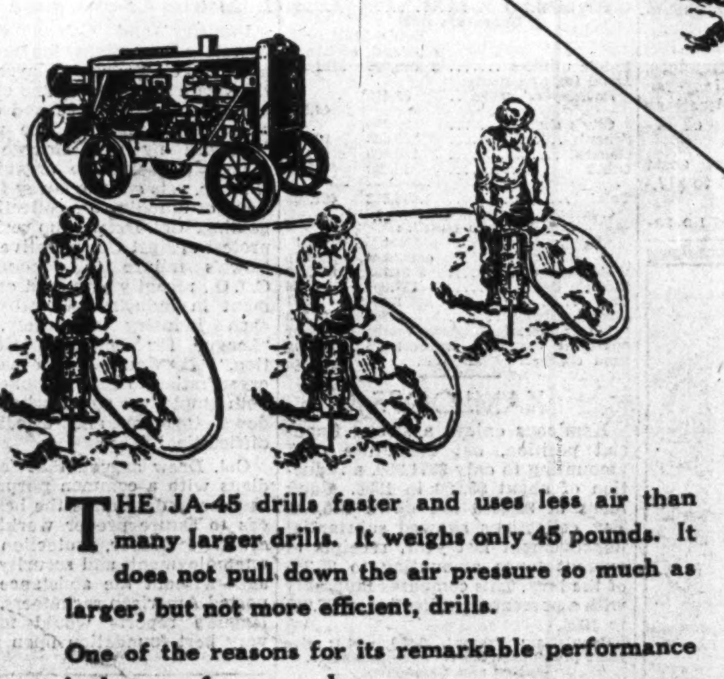

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THE JA-45 drills faster and uses less air than many larger drills. It weighs only 45 pounds. It does not pull down the air pressure so much as larger, but not more efficient, drills.

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Weight: 45 lb. Length: 31 inches. Furnished in dry, wet and blower styles with frontheads for 1" x 4¼" or ⅞" x 3¼" "Jackhamer" shanks, or with Anvil Block Chuck for either ⅞" or 1" hexagon or quarter-octagon steel.

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37-R-2-6

British Columbia

(Continued from page 22)

province but now treated as direct debt. Also $33 millions of treasury bills.

†Includes $40,167,524 of bonds of railways now operated by the Canadian National Railways.

PROVINCIAL FINANCES

Revenue	1935-36	1934-35
Department:	$	$
Agriculture	16,402	14,062
Attorney-General	6,134,249	5,293,216
Education	4,944	4,613
Finance	15,639,244	14,105,406
Fisheries	117,574	121,797
Labor	593	558
Lands	3,295,300	2,709,521
Legislation	915	640
Mines	240,215	294,017
Provincial secretary	54,302	55,127
Public works	54,888	16,965
Railways	63,114	59,419
Municipal	600	500
Total current revenue	25,622,341	22,675,837
Capital account	239,736	85,882
Total revenue	25,862,077	22,761,719
Expenditure		
Department:		
Public debt	8,697,800	6,884,713
Legislation	98,233	102,673
Premier's office	16,590	20,791
Industries	5,345	......
Agriculture	295,723	283,277
Attorney-General	1,633,559	1,320,924
Education	3,534,928	3,388,137
Finance	1,787,554	1,509,974
Fisheries	16,456	15,531
Labor	615,114	532,586
Lands	1,077,734	1,014,163
Mines	179,890	159,600
Provincial secretary	3,237,654	2,813,174
Public works	1,971,780	1,948,723
Railways	65,013	78,837
Dept. of industries	......	5,095
Municipal affairs	9,060	9,086
Recoverable exp.	469	......
Total current expend.	23,242,902	20,087,284
Capital account	......	1,510,259
Total expenditure*	23,242,902	21,597,543

*Includes $593,752 in 1934-35 for sinking fund provision.

VANCOUVER

Vancouver, largest city on the Pacific coast of Canada, has modified its pleas for a reduction in rates of interest paid on its debentures, partly as a result of the unfavorable reception given to its overtures and partly because finances have improved.

Tax collections improved during 1936 and 79.62% of the current levy was collected within the rebate periods. This compares with 79.5% in 1935. Accumulated tax arrears were reduced $2,063,202 to $6,273,939 at Dec. 31, 1936.

Ordinary expenditures for 1936 were $1,171,902 in excess of ordinary revenue compared with a $652,180 deficit in 1935. For 1937 the city has budgeted for a deficit of $1.5 millions.

Gross amount of debentures issued and outstanding increased $3,007,876 in 1936 while, if the $5,455,428 debentures authorized but unissued are included, the increase in debenture debt is $2,676,875. Sinking fund installments unpaid total $10,134,543, an increase of $1,587,564 in the year. The net amount by which sinking fund is in arrears is $9,192,146.

Population: Present, 253,363; 5 years ago, 246,593. Area, 27,965 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 12,739,752
Expenditure	13,911,653
Assessed value for taxation	224,856,201
Exemptions not included above	88,603,901

Tax rate gross, 1936: General, 14,898; debentures, 12,795; schools, 12,495, social services, 1,445; total, 41,633 mills gross; net, 37,886 mills.

Total tax arrears, $6,273,939; last year's levy, gross $10,131,445; uncollected, $1,873,452.

Assets and Liabilities

Value of assets, approx.	$101,051,074
Total debenture debt	70,025,021
Total sinking fund	27,143,899
Sinking fund arrears (net)	9,192,146
Other liabilities	4,016,527

Debenture Debt

	Deb's. Outstanding	Sink. fund Required
Public utilities	$9,528,954	$3,107,650
Local improvements:		
Ratepayers' share	6,352,332	3,174,413
City's share	1,387,318	779,861
General	52,756,418	17,520,586
Accr. int., surplus, etc.	......	1,651,240
L. imp. trust a/c	......	80,945
Total	70,025,022	26,334,696
Deb's. authorized but unissued	5,455,427	809,203
	75,480,449	*27,143,899

* Includes arrears owing by city $10,134,543.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$420,234	$154,012▲

* After operating charges only.
† After operating charges, interest and sinking fund.
▲ Water works accounts do not receive credit for water used for civic purposes, parks, fire protection, etc.

VICTORIA

Victoria, capital of British Columbia, is negotiating for a plan of refinancing which has been proposed by representatives of bondholders. The city's entire capital debt of $18 millions would be refinanced under the plan through issuance of new 40-year debentures. Of this debt, $3,490,323 is held in the sinking fund and would be cancelled. Interest rate on the new debentures would be 4½% after present maturity dates. Difference between the present interest rates and the 4½% rate on the proposed debentures would be settled by payment of the present value of this difference. Sinking funds would be liquidated and the proceeds used to retire the new debentures which are to be callable. A saving of about $600,000 would be effected in annual fixed charges.

In 1936, Victoria reported a deficit on ordinary account of $448,876 compared with a deficit of $325,000 in 1935. Tax arrears have been reduced by $20,312 and now amount to $716,995. Operation of public utilities resulted in a net profit of $41,268 in 1936.

Total debenture debt was reduced $69,404 in 1936 to $16,188,490. The city also has a liability of $1,153,224 for a mortgage and balance of the purchase price of the Goldstream waterworks.

Population: Present, 40,000; 1931, 39,082. Area, 4,640 acres

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$2,041,302
Expenditure	2,490,178
Assessed value for taxation	47,638,276
Exemptions not included	20,580,090

Tax rate, 1936: General, 18.4267; debenture, 15.0795; school, 11.4938; total, 45 mills.

Total tax arrears, $716,994; tax levy, $1,801,459; outstanding, $355,315.

Assets and Liabilities

Value of assets	$17,420,277
Total debenture debt	16,188,490
Total sinking fund	4,339,648
Other liabilities	1,709,002
Bank loans	536,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,880,126	$ 936,664
Local improvements	4,428,414	2,639,541
General	6,966,249	
School	837,700	763,442
Total	16,188,490	4,339,648

Bonds guaranteed, $481,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$309,965	$41,267

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

NEW WESTMINSTER

New Westminster had an overall deficit of $24,488 in 1936, a reduction of almost 50% from the previous year. Expenditures totalled $1,167,020, but no provision was made for sinking fund payment of $86,106.

Receipts for the year totalled $1,143,571, compared with a budget estimate of $1,127,688. Collections of current taxes amounted to over 80% of the levy.

The 1936 report is not available as yet.

Income and Assessment
Year Ended Dec. 31, 1934
(Latest available)

Revenue	$1,051,205
Expenditure	1,057,916
Assessed value for taxation	8,903,836
Exemptions not included	3,793,300

Tax rate, 1934: Debenture, 22; school, 28.5; general, 5.5; total, 56 mills.

Total tax arrears, $367,673; 1934 levy, $574,892; uncollected, $145,892.

Assets and Liabilities

Value of assets	$11,209,901
Total debenture debt	6,846,969
Total sinking fund	2,434,941
Gtd. bonds (as to int. only)	600,000
Other liabilities	259,585

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 47,742	$20,321
Electric plant	131,418	92,500
Market	3,330	‡265

*After operating charges only. †After operating charges, depreciation, interest and sinking fund. ‡Deficit, after interest and depreciation.

PRINCE RUPERT

Prince Rupert had a deficit of $14,325 in 1936 which was charged to surplus account. As a result cash on hand to the credit of general account was reduced during the year to $43,021. Net debenture debt was reduced during the year by $56,462 to $1,490,460.

Tax collections improved, receipts of current taxes amounting to 70% of the levy as compared with a collection of 63% in 1935. Accumulated tax arears were reduced to $477,866 from $482,476.

Population: 1931, 6,350; 1921, 6,393. Area, 4,751 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Current revenue	$275,206
Current expenditures	284,208
Assessed value for taxation	4,129,350
Less exemptions	1,729,115

Tax rate, 1936: 50 mills.

Total tax arrears, $477,866; last year's levy, $220,287; amount uncollected, $83,283.

Assets and Liabilities

Value of assets	$3,207,556
Total debenture debt	1,735,593
Total sinking fund	245,460

Debenture Debt

	Debentures outstanding
Public utilities	$ 334,050
Local improvements	958,894
Schools	182,600
General	260,050
Total	$1,735,594

NORTH VANCOUVER

There appears to be little possibility of North Vancouver resuming service on its debenture debt in the near future and as yet no steps have been taken to reorganize the city's finances. Like other British Columbia municipalities, the city is in need of additional sources of revenue.

During 1936 there was some improvement in the city's finances. General receipts showed an increase of $20,000. Current tax collections increased 7.7% and receipts of arrears of taxes 4.3%.

The city's share of relief costs dropped from $39,523 in 1935 to $17,159 in 1936.

During the year there was no reduction made in funded debt but sinking fund increased $52,712.

Interest unpaid and accrued on city debentures amounted to $669,681 at the end of 1936, of which $165,940 was on city debentures held by the sinking fund. Sinking fund shortage has increased from $74,927 to $128,260.

Population: Present, 9,000 (est.); 1930, 9,000. Area, 3,131.5 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 320,006
Expenditure	306,784
Assessed value for taxation, 1937	5,990,310
Exemptions not included	4,614,647

Tax rate, 1936: General, 29.531; debenture, 5.742; school, 18.727; total, 54 mills.

Total tax arrears, $149,937; last year's tax levy, $258,765; uncollected, $93,635.

Assets and Liabilities

Value of assets	$4,266,367
Total debenture debt	3,359,590
Total sinking fund	891,015

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public Utilities	$ 954,500	......
Local improvements	353,589	......
General	1,490,071	......
Schools	561,430	......
Total	$3,359,590	$891,015

NANAIMO

Nanaimo, important mining and tourist centre on Vancouver Island, reports an increase in its net debenture debt in 1936 of $22,742. There was also a sharp increase in the amount of treasury notes held by the Provincial Government, these amounting to $120,800 at the end of 1936 compared with $88,310 at the end of 1935. Bank loans were reduced during the year by $2,500 to $39,000.

Population: Present, 7,000; five years ago, 6,700. Area, 720 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 341,588
Expenditure	332,804
Assessed value for taxation, 1937	5,374,818
Exemptions not included	691,605

Tax rate, 1937: General, 17.55; debenture, 21.33; school, 21.12; total, 60 mills.

Total tax arrears, $30,948; last year's levy, $141,053; uncollected, $20,131.

Assets and Liabilities

Value of assets	$1,335,046
Total debenture debt	945,100
Total sinking fund	337,211
Sinking fund arrears	25,977
Other liabilities	165,963

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$500,000	......
Local improvements:		
Ratepayers' share	4,500	......
General	440,600	......
Total	$945,100	$337,211

Public Utilities

	*Net earnings	†Net profits
Waterworks	$40,357	$7,373

*After operating expenses only. †After operating expenses, interest and sinking fund debt. ‡Deficit.

TRAIL

The mining city of Trail, B.C., reduced its net debenture debt by $73,016 in 1936. Sinking fund is in arrears $10,244, but securities held in sinking fund are shown at cost which is considerably less than par.

The city had a deficit of $16,279 in 1936 compared with $7,681 in 1935. Tax collections in 1936 were 90.3% of the current levy and 68.4% of arrears.

The city sold $63,000 of 4% 20-year debentures in April, 1937, at 97. On Aug. 1, 1937, $76,400 of 5% bonds fall due and will be retired.

Population: Present, 10,000 (est.); five years ago, 7,570. Area, 846 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 343,008
Expenditure	359,287
Assessed value for taxation	5,511,020
Exemptions not included	695,105

Tax rate, 1936: General, 11.7; gen. deb., 16.5; school, 8.8; total, 37 mills.

Total tax arrears, $37,005; last year's levy, $187,868; uncollected, $18,511.

Assets and Liabilities

Value of assets	$1,273,323
Total debenture debt	991,081
Total sinking fund	432,942
Sinking fund arrears	10,244
Other liabilities	85,638

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$202,900	$132,157
Local improvements:		
Ratepayers' share	165,430	66,771
City's share	82,072	33,126
General	540,679	200,888
Total	991,081	432,942

Public Utilities

	*Net earnings	†Net profits
Waterworks	$46,306	$12,628

*After operating expenses only. †After operating expenses, interest and sinking fund.

NELSON

Nelson reduced its net debenture debt in 1936 by $45,659 to $648,381. Bank overdraft, on the other hand, increased by $6,000 to $24,251.

Population: Present, 6,000; 1930, 6,000. Area, 751 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 481,295
Expenditure	512,432
Assessed value for taxation	5,574,386
Exemptions not included	916,895

Last year's tax levy, $119,837; uncollected, $21,837; total tax arrears, $32,279.

Assets and Liabilities

Value of assets	$2,416,137
Total debenture debt	1,096,512
Total sinking fund	446,306
Bank loans	24,251
Other liabilities	27,019

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 650,000	$192,637
Local improvements:		
Ratepayers' share	89,413	49,505
City's share	29,099	
Schools	163,000	80,479
General	150,000	98,618
Other	15,000	6,223
Total	1,096,512	427,462

Guaranteed bonds, $50,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 31,159	$29,659
Electric light	117,869	81,669
Gas	2,444	‡911
Street railway	9,393	‡9,393

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

KAMLOOPS

Kamloops enjoys a strong financial position, net debenture debt amounting to only $371,988, a reduction of about $5,000 in 1936. Bank loans at $30,000 are down $45,000. Tax collections showed substantial improvement last year, receipts of current taxes amounting to 85.3% of the levy. This compares favorably with a percentage collection of 77.9% in 1935.

Population: Present, 6,000 (est.); five years previously, 6,197. Area, 912 acres.

Income and Assessment
Year Ended Dec. 31, 1936

Revenue	$ 282,497
Expenditure	265,453
Assessed value for taxation	5,975,841
Exemptions not included	1,103,005

Tax rate, 1936: General, 22.749; debenture, 2.241; school, 15.01; total, 40 mills.

Total tax arrears, $53,061; last year's tax levy, $173,977; uncollected, $35,452.

Assets and Liabilities

Value of assets	$2,230,565
Total debenture debt	1,214,793
Total sinking fund	842,805
Other liabilities	25,536
Bank loans	30,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$806,537	......
Local improvements	55,343	......
School	150,000	......
Other	202,913	......
Total	$1,214,793	$842,805

Public Utilities

	*Net earnings	†Net profits
Waterworks	$27,647	$11,418

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Fate of Calgary Albertan Hangs in Political Balance

From Our Own Correspondent

EDMONTON.—The future of Alberta's Social Credit newspaper, The Calgary Albertan, has become a matter of speculation in political circles as the prospect of an early election in Alberta is studied.

No announcement has been forthcoming from either the Aberhart Government or from directors of Albertan Publishers Ltd. as to the future status of the newspaper since the elapse on May 15 of the period in which the company was to complete payment for the property. Sale of the company's stock to Social Crediters, it is known, fell far short of the $700,000 required to fulfill the deal.

The Albertan has supported the Social Credit Government since Jan. 15, 1936, and has not definitely revealed its stand on the dissension in the party which threatens the Government. The paper was formerly Liberal in its views, and one rumor suggests a syndicate representing Liberal party may seek control of the property, which is understood to bear a heavy liability to the Royal Bank.

Another report suggests outside newspaper interests might bid for the paper.

Despite the intensive Social Credit campaign a year ago for sale of stock to party members and groups, the records reveal that only two Social Credit members of the legislature bought shares and only one M.P. Neither Premier Aberhart nor any of his ministers put up money of their own to purchase stock. The Government is not expected to make an effort to retain the newspaper for the Social Credit party now.

Spotlight on Labor

Federal legislation designed to set minimum wages and maximum hours, to check use of child labor, and to discourage "unfair" or "oppressive" practices against labor, was demanded by President Roosevelt in his recent message to Congress. Bills aiming to comply with his request were introduced into both Houses immediately.

Extracts from the President's message:

> "Today, you and I are pledged to take further steps to reduce the lag in the purchasing power of industrial workers, and to strengthen and stabilize the markets for the farmers' products... Both working simultaneously will open new outlets for productive capital.
>
> "A self-supporting and self-respecting democracy can plead no justification for the existence of child labor, no economic reason for chiselling workers' wages or stretching workers' hours...
>
> "Goods produced under conditions which do not meet rudimentary standards of decency should be regarded as contraband and ought not to be allowed to pollute the channels of interstate trade."

Details of Programme

The programme urged by the President and partly embodied in the Congressional bills is admittedly to make effective some of the objectives of the outlawed N.R.A. It calls for a five-man Labor Standards Board, defining of fair minimum wages and maximum hours, prohibition of child labor (under 16 years) in producing goods for interstate commerce; banning from interstate commerce goods produced by employers found guilty of "unfair" practices, such as use of child labor, employment of "labor spies" or strikebreakers, and denial of collective bargaining and organizing rights to workers.

To the new Labor Board will be left the administrative duty of establishing wage levels and working hours in accordance with conditions prevailing in various regions and localities and in different industries. An advance report that a 40-hour week and minimum wage of $16 a week would be asked, was not fulfilled in the draft legislation. Congress may set such minimum standards or leave it entirely to the Labor Standards Board.

• • •

Labor Board Personnel

Appointment of the personnel of Ontario's new Industry and Labor Board has been completed. After an interval following selection as chairman of E. J. Young, former M.P. for Weyburn, Sask., Premier Hepburn named the following board members: Clifford Adams, solicitor for the Ontario Labor department, representing that department; Fred Bancroft, well known as labor representative in arbitrations of industrial disputes, representing male workers in the province; Miss Mary F. Mangan, former teacher, university lecturer and business executive, representing women workers; and R. B. Whitehead, solicitor of the Massey-Harris Co., representing the Canadian Manufacturers Association.

• • •

Industrial Co-operation

Industry and Government are casting about them for means of putting employer-employee relations on a sound basis, and eliminating causes of disputes and disturbance. A solution of the problem advanced by Col. George Drew, former Conservative organizer for Ontario, gets entirely away from the issue of unionism or collective bargaining. Col. Drew, who resigned in protest against Conservative Leader Rowe's failure to denounce the C. I. O., recently proposed establishment in industry generally, or in each industry separately, of a "League for Industrial Co-operation." It would be a voluntary organization to enable spokesmen of both employers and workers to "sit down together and discuss their difficulties."

Col. Drew argued that "as Canadians with a common purpose they can easily determine the best methods to assure proper working conditions for labor, protection against unemployment, and security for old age—without the assistance of imported American racketeers. Such a league's reports would form the very best foundation upon which a government could act in passing social legislation for the benefit of the whole community."

• • •

Breach Healed

The split sections of the Hamilton Labor Council were put together again at a long peace conference last week, at which the oil of unity was poured on trouble-divided waters by P. M. Draper, president of the Trades and Labor Congress of Canada. The cleavage in Hamilton, precipitated by division of allegiance between the American Federation of Labor and the C.I.O., threatened for a time to spread to other parts of Canada.

In announcing the settlement of the controversy, Mr. Draper declared that Labor had always stood for "preservation of unity, freedom of speech, and opposition to dictatorship, of whatever type." In some quarters, the declaration against dictatorship was interpreted as being directed against John L. Lewis and the C.I.O. But Mr. Draper had just concluded patching up a dispute to prevent the bitter war in the U. S., between the C. I. O. and A. F. of L., from spreading to Canada. So it might be conjectured that his remark was directed either at Premier Hepburn or even against President Green of the A. F. of L., on whose order the Hamilton Labor Council charter was lifted several weeks ago when it failed to declare unqualified allegiance to the A. F. of L.

In any event, Canadian adherents of both C.I.O. and A. F. of L. unions continue to present a united front and are functioning together within the single fold of the national, regional and district federations of international unions.

Stuart G. Baits Named Hudson of Canada Head

Stuart G. Baits has been appointed president and general manager of Hudson Motors of Canada, Ltd., in succession to A. E. Barit who becomes chairman of the board. Mr. Barit has been president of the Canadian company since the company's inception. He is also president of the U. S. company. Mr. Baits is vice-president and chief engineer of the U. S. company.

Directors re-elected at the Canadian company's annual meeting in Tilbury this week included Ross Mackinnon and H. B. Thomas. Shipments and orders for 1937 models from the Canadian plant to date this year total 98.4% of total 1936 sales.

Union Drive Meets Defeat At Davis Plant

Agitation of Workers at Kingston Tannery Halted

MEN SIGN PLEDGE

The firm stand taken by the management of the A. Davis & Son tannery at Kingston, Ont., has resulted in abrupt halting of attempted union organization of the company's workers and their unanimous endorsation of existing relations at the plant.

Organizers for the Canadian Shoe Workers Union and Allied Crafts launched a campaign to enroll Davis workers, and exert control in their dealings with the management. The union is at present unaffiliated, but was suspected by the management of leanings toward the C.I.O.

In any event, Elmer Davis, company president, adopted a policy of emphatic opposition to the union's campaign and refusal to recognize or deal with the union and its representatives. Regarding the union activities as a deliberate attempt to stir up a dispute between himself and the employees, he launched a campaign of his own to combat it. Having always stood ready to meet and deal with his workers and acknowledged their right to join any reputable organization, he proceeded to appeal to them through a series of bulletins on the tannery notice boards.

In addition to his particular opposition to attempts of the C.I.O. to extend its power in Canadian industry, Mr. Davis objects on principle to unionism generally. The basis of his objection, he told The Financial Post, is threefold:

1. Union organization and representation of workers tend to create a hostile division between workers and management, destroying the co-operative mutuality of interest which should be the foundation of labor relations.

2. It denies the right of non-union workers either to hold jobs or be represented in dealings with the management on a parity with the unionized group.

3. The basic aim of virtually all unions has proved to be domination of both workers and management, and exertion of undesirable influence in the operation of the particular industry involved.

Company Stand

The first bulletin posted at the Davis plant set forth the following policy:

"1. Every man has the unquestioned right to join any organization which he sees fit to join.

"2. Any man also has the right not to join if he so desires. Those who do not join an organization can depend on continuous employment as in the past.

"3. Men do not need to join an organization and pay fees or dues to work for A. Davis & Son.

"4. The management of this firm have always been ready to co-operate with, and also ready to hear any representation which any employee cared to make at any time. Do employees now need to pay some one to introduce them to the management of this business?

"5. Some of you have been loyal fellow-workers for many years and your loyalty and co-operation in the past has been appreciated. Your continued loyalty in the future will still be appreciated."

The next day a group of the workers who had joined the union asked for a conference with Mr. Davis. The request was granted, but when the men said they represented the union, the management declined to hear them further. Another bulletin was then posted, declaring:

"The management of this firm will be glad in the future, as in the past, to meet any of its employees, as employees only, either individually or in committees. It definitely and finally declines to treat with the representatives of, or to recognize, any union."

Work Retarded

Efforts of the union organizers were continued and, according to Mr. Davis, the resultant tension and restiveness among the men retarded operations in the tannery. So a final bulletin was posted, noting that some of "those associated with us in this business" appeared to be dissatisfied. It was announced that the plant would be closed from Friday to Tuesday.

The bulletin continued:

"On Saturday at noon all employees will receive payment in full up to Friday night. The management will then be prepared to re-engage any of its fellow workers who are prepared to indicate that they are satisfied to continue with the firm under present conditions."

By Saturday afternoon, all of the 246 employees had signed the following declaration, in effect renouncing the union and voting to continue direct relations with the management:

"I desire by signing this card to indicate my satisfaction with the conditions under which I have been associated with A. Davis & Son, Ltd., in the past, and my desire to continue my association with them on the same basis as in the past, at least until Dec. 31, 1937."

CONFIDENCE

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Your savings and banking transactions are safe when entrusted to

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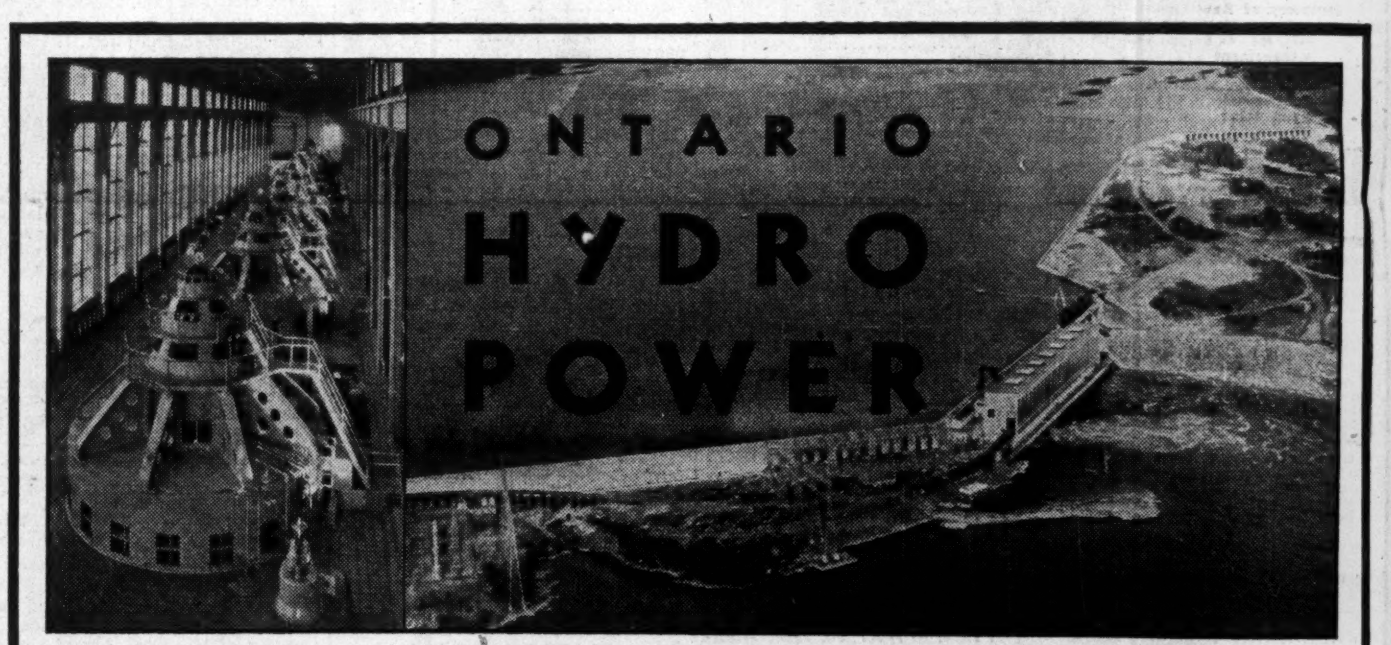


INTERIOR OF POWER HOUSE AND GENERAL VIEW OF CHATS FALLS DEVELOPMENT

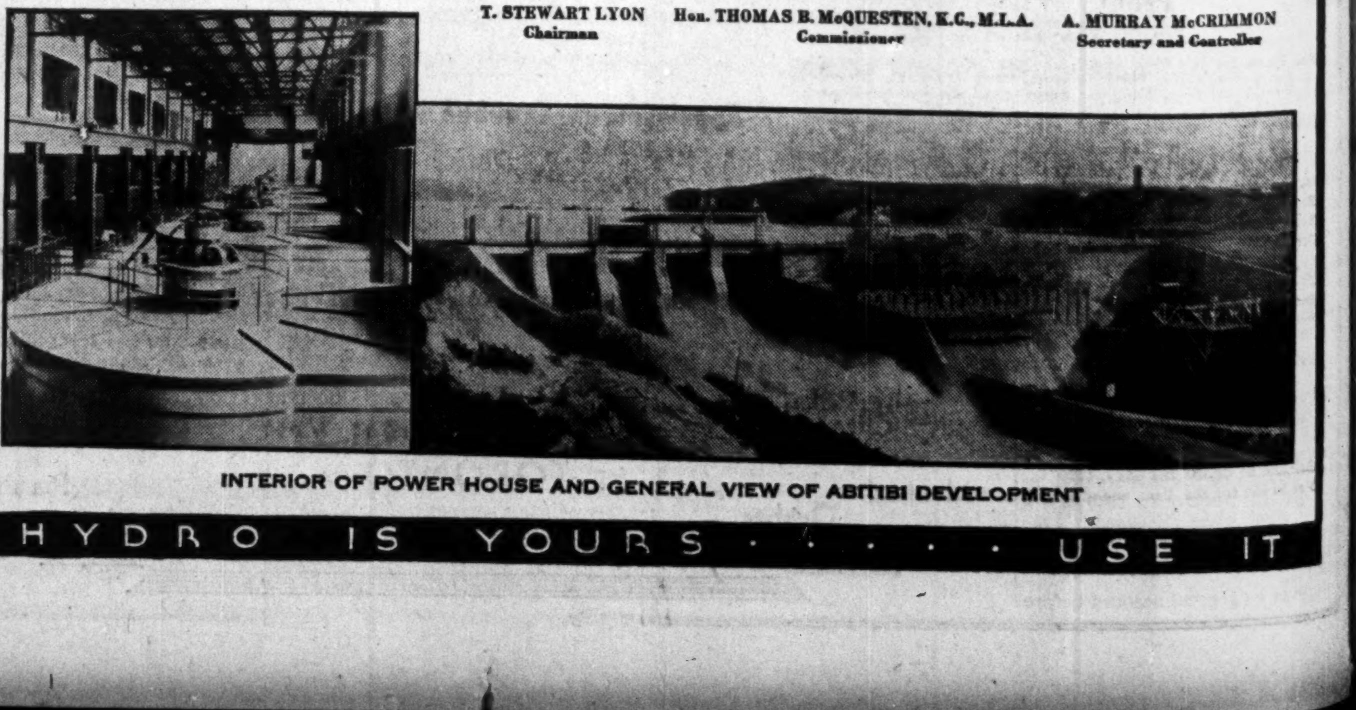
FOR THE PEOPLE - BY THE PEOPLE

THE Hydro-Electric Power Commission of Ontario now supplies electrical service to about 780 municipalities, of which 400 are urban communities including 26 cities and 98 towns, and 380 are townships. These are grouped in four main systems. In addition the Commission also operates on behalf of the Province, the Northern Ontario Properties which supply power, chiefly for mining purposes, in several districts of Northern Ontario. The small initial load of less than 1,000 horsepower increased year by year until the Commission's load has reached 1,600,000 horsepower. The total investment of the municipalities in the "Hydro" undertaking is about $414,000,000 of which $298,000,000 is invested co-operatively in power undertakings of the Commission and $116,000,000 in local distribution systems and other assets. The total reserves of the Commission and of the municipal electrical utilities for Depreciation, Contingencies, Stabilization of rates, Sinking Fund and Insurance purposes aggregate more than $165,000,000.

WHILE the three Niagara River developments constitute the largest single source of Ontario "Hydro" power, thirty-eight other power developments are operated by the Commission. Two large power developments are here illustrated.

The HYDRO ELECTRIC POWER COMMISSION of Ontario

T. STEWART LYON, Chairman
Hon. THOMAS B. McQUESTEN, K.C., M.L.A., Commissioner
A. MURRAY McCRIMMON, Secretary and Controller



INTERIOR OF POWER HOUSE AND GENERAL VIEW OF ABITIBI DEVELOPMENT

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Copper Stocks Down

The United Kingdom imported 19,475 long tons of copper from Canada during the first quarter of 1937, a preliminary estimate released by the British Metal Corp. shows. For the last quarter of 1936, imports totalled 26,915 long tons. Stocks in official warehouses fell from 46,276 tons in the last quarter of 1936 to 25,830 tons during the first three months of this year, and for the same period the average price of electrolytic copper per ton rose from approximately 48 to 66 pounds. For the quarters standard copper jumped from 43 to 60 pounds per ton, approximately.

THE
WABASSO COTTON COMPANY
LIMITED

ANNUAL REPORT 1937

BOARD OF DIRECTORS
C. R. WHITEHEAD, President
JAMES W. PYKE, Vice-President
HUGH MACKAY, K.C. NORMAN J. DAWES WM. I. GEAR
WM. HARTY W. J. WHITEHEAD

Directors' Report to the Shareholders

Your Directors have pleasure in submitting herewith Balance Sheet as at 1st May, 1937, together with Profit and Loss and Surplus Account for the year ended that date.

The result of the year's operations is fully set forth in the appended Profit and Loss Account from which it will be observed, that after making provision for all charges including Depreciation of Property and Plant and Reserve for Government Taxes, etc., there is a net profit of $235,686.16. This amount has been added to Earned Surplus. The balance carried forward in this account is now $663,407.46.

Your properties have been well maintained.

Your Directors desire to record their appreciation of the faithful and efficient services rendered throughout the year by Officers, Staff and Employees of all Departments.

Respectfully submitted on behalf of the Directors.

C. R. WHITEHEAD,
President.

Three Rivers, Que., 15th May, 1937.

BALANCE SHEET

As at 1st May, 1937

ASSETS

Current Assets:—			
Cash on Hand and in Bank		$119,813.07	
Dominion of Canada and Provincial Bonds, Less Reserve, (Market Value $407,125.00)		404,875.00	
Accounts and Bills Receivable less Reserve		653,757.33	
Inventory of Raw Cotton, partly manufactured and manufactured Stock, Supplies, Chemicals, etc., as determined and certified by the management and valued as to Raw Cotton at cost which is less than prevailing market prices, and as to Merchandise and Supplies at average cost or less and not over replacement value, less Reserves		912,132.06	$2,090,577.46
Property—			
Real Estate, Buildings, Plant, Machinery, etc., at cost		$10,700,052.39	
Less: Reserve for Depreciation		4,637,558.39	6,062,494.00
Investments:—			
Marketable Securities:—			
Bonds and Common Stocks of Canadian Companies		$ 23,875.18	
(Approximate market value $24,162.38)			
Non-Marketable Securities:—			
5,500 Shares St. Maurice Valley Cotton Mills Limited, Common Stock, being the whole issue, less Reserve		221,160.26	
Sundry Investments		10,780.00	255,815.44
Deferred Charges:—			
Bond Discount, Unexpired Insurance, etc.		$335,116.02	
Plant Alterations, etc.		129,375.35	464,491.37
			$8,873,378.27

LIABILITIES

Current Liabilities:—			
Accounts and Bills Payable		$285,221.58	
Operating Expenses and Accrued Wages		63,801.65	
Accrued Government and Municipal Taxes		140,580.40	
Bond Interest Accrued		28,467.80	
3½% First Mortgage Bonds due 1st February, 1938		150,000.00	$668,071.43
Deferred Liabilities:—			
For Machinery and Equipment Purchases and Plant Alterations			149,659.38
First Mortgage Bonds:—			
Authorized	$5,000,000.00		
Issued:—			
Series "A" dated 1st February 1936, 3½% Serial Bonds maturing $150,000.00 in each of the first to fourth years	600,000.00		
Less: Bonds Matured and Bonds Maturing 1st February, 1938	300,000.00	$300,000.00	
4% Serial Bonds dated 1st February, 1936, maturing $175,000.00 in each of the fifth to twelfth years		1,400,000.00	
4½% Fifteen Year Bonds, dated 1st February, 1936		1,000,000.00	2,700,000.00
Capital Stock:—			
Authorized:—			
105,000 Shares of No Par Value.			
Issued:—			
69,903 Shares Fully Paid			4,192,240.00
Earned Surplus:—			
General Reserve		500,000.00	
Balance as at 1st May, 1937		663,407.46	1,163,407.46
			$8,873,378.27

(Signed) C. R. WHITEHEAD
JAS. W. PYKE } Directors.

Montreal, 13th May, 1937.
Verified, subject to our report of this date.
(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Auditors.

Profit and Loss Account

For the Year Ended 1st May, 1937

Net Profit for the Year ended 1st May, 1937, before providing for Depreciation, Bond Interest, Bond Discount, Directors' Fees, Legal Fees, Executive Salaries and Reserve for Government Taxes		$903,386.59
Interest on Investments		16,251.90
		$919,638.49
Depreciation on Property and Plant	$396,500.00	
Bond Interest	120,706.60	
Bond Discount	21,287.54	
Directors' Fees	2,120.00	
Legal Fees	3,711.39	
Executive Salaries	36,626.80	
Reserve for Government Taxes	83,000.00	
Reserve for Investments	20,000.00	683,952.33
Net Profit for the Year Transferred to Surplus Account		$235,686.16

EARNED SURPLUS ACCOUNT

As at 1st May, 1937

Balance at Credit 2nd May, 1936	$462,672.80
Net Profit for the Year ended 1st May, 1937	235,686.16
	$698,358.96
Deduct Dividends Paid	34,951.50
	$663,407.46

Pulp Demand Sends Prices To New Peaks

Advance in Past Year Limits Supply of All Grades

INCREASE CAPACITY

From Our Own Correspondent

MONTREAL. — Demand for all grades of pulp has shot prices skyward and those companies engaged solely in the manufacture of pulp or which have surplus pulp for sale, stand to make big earnings this year.

Pulp operators have had exceptionally keen demand for their product, and the price has been advanced on several occasions with the current level higher than it has been for many years.

High-grade bleached sulphite, used largely in the manufacture of artificial silk, is now selling at a minimum of $71 a ton in Canada, with American consumers paying as high as $90 a ton in the United States. There is no floating supply and this grade of pulp is being taken as quickly as it can be produced.

Big Prices Prevail

Unbleached sulphite is currently selling at $59 a ton if it can be had. This type of pulp is used in newsprint and the finer grades of paper. It is seldom the sole product of a mill, being manufactured by paper makers, who now need all the unbleached sulphite they can lay their hands on to meet the demand for paper.

Groundwood pulp, primarily for use in newsprint and other low grades of paper, has shared in the improved market, selling for $35 a ton in Canada and $37.50 a ton for export to the United States.

Considering that contract newsprint is now selling for $42.50 a ton delivered in New York or Chicago, it is apparent that the pulp makers are doing appreciably better than the newsprint manufacturers.

Advance In Year

The improvement in the pulp market is more apparent by comparison with last year's prices. A year ago groundwood was selling at $23 to $25 a ton; bleached sulphite sold at $52 a ton and unbleached sulphite from $38 to $40 a ton. On an average the price for pulp has advanced 50% in the last 12 months.

Fraser Companies and Canadian International Paper stand to benefit more than the other pulp and paper producers by the rise in value of pulp. It will be recalled that Fraser Cos. completed a large pulp mill just after the pulp and paper market broke. This was one of the principal contributory clauses to the capital reorganization of the company.

Reports of late have indicated that Fraser Cos., Ltd., is doing exceptionally well. While lumber and paper sales have been very satisfactory, the big money making end of the business has been in the high-grade bleached sulphite sold for processing into artificial silk.

The company's plant has been working at capacity for some time and there are reports that Fraser Cos. may go ahead with the construction of another mill on the Miramichi River. The New Brunswick Government announced such a possibility, which the company has not denied.

C. I. P. Share

As to Canadian International Paper, the parent company, International Paper and Power, reported a predepression record production of pulp for sale in 1929 amounting to 165,000 tons. This was largely bleached sulphite produced in the two mills of the Canadian subsidiary. The depression low of 127,631 tons was set in 1932. Since then there has been a sharp increase in production: 155,222 tons in 1933; 173,537 tons in 1935 and 201,259 tons in 1936. The latter is the largest output for sale that the company has ever reported.

At the beginning of this year production at Kipawa and Hawkesbury was stepped up to increase the annual output by 15,000 tons. Moreover work is now going on at the Gatineau mill, with a view to increasing the supply of unbleached sulphite. This additional output from Gatineau will be shipped to International's paper mills in the United States.

Other Firms Benefit

Other companies also are interested in the rising pulp market. All the fine paper manufacturers are operating at capacity and few have any surplus production to sell. Those newsprint companies which are still below their effective capacity, notably Abitibi and Consolidated, have been selling pulp.

Brown Corp., whose Canadian unit operates at LaTuque, is an important producer of high-grade sulphite pulp. Operations at that point have been at capacity for some time.

Lake Sulphite Co., which was formed to take advantage of the strong market for sulphite pulp, is rushing construction work and plans to bring its plant at Redrock, Ont., near Nipigon, into operation next year. The initial output will be 200 tons daily with plans for further expansion if the market warrants.

Maple Leaf Milling Co. Issues Class A Shares

Maple Leaf Milling is issuing 9,241 shares of class A preferred stock to holders of its 5½% first mortgage bonds in lieu of interest due June 1, 1937. At the same time the company's bankers will receive 3,170 shares of class A preferred in lieu of interest on No. 2 bank loan.

Under the reorganization adopted in 1934, the June 1 interest payment on Maple Leaf Milling Co., bonds is payable in class A preferred on the basis of two shares for each $1,000 bonds. Interest due Dec. 1 in each year is paid in cash. This adjustment remains in force until Dec. 1, 1938.

Bank loans amounting to $1,966,300 for the period from Dec. 1, 1933, to Dec. 1, 1938, bear interest payable at the rate of 1% in cash and the balance by the issue of class A shares.

BELGIAN TRADE ENVOYS

Two members of the Belgian industrial committee which is visiting Canada to promote trade between the two countries are shown above, snapped while on a tour of the Angus shops of the Canadian Pacific Railway. From left to right, the gentlemen are Viscount A. du Parc, chief of the commercial section at the Ministry of Foreign Affairs; Lucien Graux, president of the industrial committee and head of the trade mission; their guide; and Mr. de Meulemeester, from the Belgian legation at Montreal.

Mr. Graux and the Viscount du Parc were speakers at one of the luncheons held in conjunction with the annual meeting of the Canadian Manufacturers' Association this week.

Manufacturers Cautious On Labor Unrest Crisis

Employee Relations Problem Leading Topic of Debate But Definite Pronouncements Avoided

When it comes to the vexed question of labor relations, the Canadian Manufacturers' Association is emulating Br'er Rabbit of storybook fame, who "done lay low and say nothing."

Threatened by Br'er Fox Lewis and a general wave of labor unrest, Canadian industrialists are holding their ground. They are pondering on how to meet the challenge to their principles. But they are not making a noise or beating their chests about it.

This became evident as the Association met in annual convention at Toronto this week. As representatives of the Association's 4,000 members in all parts of Canada gathered at convention sessions and exchanged views in hotel corridors, the industrial relations problem loomed as perhaps the most important single question facing the assembly.

Dominant Topic

The campaign of the C.I.O., the general restiveness of labor, the pressure for unionism, and the broad question of the most desirable basis of employee relations, were insistent topics of discussion. They cropped up in conversations between members, in comments given The Financial Post, in communications from Association Officers, and as subjects of the two special sessions devoted to industrial relations.

The wide diversity of views was featured by a single characteristic. They were kept private. Both the industrial relations sessions were closed to the press and public, and if any decision or conclusion was reached it was withheld from the public. Members interviewed by The Financial Post talked freely only after assurance that any comments quoted would be anonymous.

There were some delegates, The Post discovered, who believed the Association should take a firm and definite stand against the fomenting of unrest by power-hungry interests, and clearly declare its policy on employer-employee relations. But the prevailing view seemed to be that it would be unwise and impolitic at this juncture to make any such declaration, lest it be misconstrued and distorted to stir up further hostility on the part of industrial workers.

Adhere to Policy

As far as could be determined, there was no substantial opinion favoring any modification or revamping of the labor policy laid down by pronouncements of the Association in the past. There has been no basic change in Association policy since 1919, when adherence was declared to the following principles:

1. Refusal to recognize the closed shop basis of employment.
2. Right of workers to join any lawful organization, without discrimination or coercion by either employers or fellow workers because of membership or non-membership in that organization.
3. Readiness of employers to deal with employees at all times, either individually or in groups.

Two years ago, it was pointed out by President B. W. Coghlin in his annual review at the convention, a declaration was adopted favoring "proper remuneration and conditions for all taking part in production, in so far as the interests of consumers and economic laws will permit."

Views of President

The lengthy reference to labor relations in Mr. Coghlin's address was the sole public comment on the subject emanating from the convention. Highlights of his observations were:

"Since the improvement (in business) began, many employers have voluntarily increased wages as they found their sales growing and as the prospects for more business developed.

"A general atmosphere of unrest exists throughout the industrial areas of the country. The demands presented to employers involve in some cases such curtailment of hours of labor, with the consequent prospect of diminished production; such increases in wages and such extensive interference with the processes of management and production, that great concern is aroused for the immediate industrial future of Canada.

War or Co-operation?

"Will class warfare, promoted and sustained by interested parties, do as much for industrial wage earners in the future as the friendly co-operation of all those engaged in industry has done in the past?

"If costs of manufacturing are increased unduly by restriction of hours, increase of wages, or interference with management and production, sales will inevitably decline. There is no way of forcing people to buy goods.

"The establishment and maintenance of good relations, the co-operation of all those engaged in the various departments, study and understanding of the problems of industry, and honest and fair dealing, will accomplish more than any other plan."

Broad Aspects

The convention report of the industrial relations committee diligently avoided any reference to the question of collective bargaining and unionism. It dealt chiefly with legislative aspects of the problem and the broad general phases of labor welfare, such as unemployment insurance, minimum wages for men and women, prohibition of strikes pending investigation and attempted arbitration, and industrial standards codes.

The view of the Association as a whole on such questions was not recorded, but the prevailing attitude appeared to be that none of the proposals was an unmixed blessing under existing legislation.

Power Corp. Output Again Shows Gain

From Our Own Correspondent

MONTREAL.—Power companies controlled or associated with Power Corp. of Canada report increased production in April as compared with the same month a year ago. Aggregate output last month totalled 208.4 million kw.h. as against comparative total of 187.4 million kw.h. in April, 1936, an increase of over 11%. The principal contributors to this gain were Winnipeg Electric, British Columbia Power and Canada Northern Power.

Comparative figures for April are as follows:

	1937	1936
Southern Canada	25,094,220	23,447,660
Canada Northern	52,732,421	47,936,214
East Kootenay	7,700,904	6,453,782
B. C. Power	47,497,475	40,942,243
Northern B. C.	954,884	915,896
Winnipeg Electric	74,417,400	67,721,500
Total kw.h.	208,397,304	187,417,295

Bulolo Gold Dredging Explains Drop in Returns

From Our Own Correspondent

MONTREAL. — Bulolo Gold Dredging Ltd., in a report to the Montreal Curb Market, states that the reduced output in April was due to a change in the course of two dredges which required the digging of a large volume of tailings from overburdens.

C. I. O. Moves On Industries Of West Coast

Death Blow Threatens Reviving Coal Mining Operations

From Our Own Correspondent

VANCOUVER.—Evidently regarding British Columbia as a field for organization which has too long lain fallow, John L. Lewis's Committee for Industrial Organization has started spring plowing at two points in the province.

Already the encroachment of the C. I. O. has resulted in the complete paralysis of lode gold mining in the Cariboo district. Both the Cariboo Gold Quartz Mining Company and the Island Mountain Gold Mines closed down their properties rather than recognize unions dominated by outside elements.

Several weeks ago the United Mine Workers, nucleus of the C. I. O., succeeded in lining up coal miners in the Crow's Nest Pass district of eastern British Columbia. More serious, however, is the move being taken by the same organization to force recognition of the union in the Vancouver Island coal fields.

Blow to Industry

If the miners decide to strike, the coal companies will likely close down the mines, making no attempt to break the strike. If that happens, there is a strong possibility that the coal mining industry of Vancouver Island will never recover.

The miners at Cumberland have been organized in the Lewis union for several years, and the Nanaimo union has been affiliated with the C. I. O. since March, but the organization did not press any of its demands because of agreements with the companies that will soon run their course. Western Canada Fuel Corporation and Canadian Collieries (Dunsmuir) Ltd. are the companies chiefly concerned.

The east coast of Vancouver Island still holds bitter memories of the long strike of 1913 which resulted in the temporary collapse of British Columbia's coal industry.

Slow Recovery

In recent months the coal industry has recovered to some extent as a result of Federal subventions and the establishment of special facilities to encourage bunkering of ships. Production has shown a slow uptrend, but the industry is still far from being solidly on its feet. Another strike at this time would very easily be a death blow, according to those closely in touch with the situation.

Feeling still continues that memory of what happened before if nothing else will be sufficient inducement for the miners to avoid drastic action in the event of the companies' refusal to yield to their new demands. Some form of compromise may possibly be reached.

Deadlock at Cariboo

Meanwhile there is little hope of an early settlement of the Cariboo mine strike. Cariboo hard-rock men are now being paid $5.25 a day for miners and $4.75 for muckers. This is said to be a slightly higher rate than is paid in eastern mines.

What the companies take most exception to, however, is recognition of outside unions. Dr. W. B. Burnett, president of Cariboo Gold Quartz, and F. W. Guernsey, president of Island Mountain, which is a subsidiary of Newmont Corporation, say they have no objection to dealing with unions representing their employees only.

While the strike is deplored by mining men, it is considered fortunate for the industry that the trouble broke in a district well protected to stand the cost.

Island Mountain Mines appears ready to close "indefinitely," while Cariboo's earnings are protected by strike insurance for many months.

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Quebec Labor Minister Against Closed Shops

From Our Own Correspondent

QUEBEC.—Closed shops and sit down strikes will not be tolerated in the Province of Quebec, according to Hon. William Tremblay, Minister of Labor. In his opinion, the new labor laws enacted by the province during the last session of the House will leave employers and employees no loophole for arguing that they are unable to reach an agreement whenever difficulty arises.

Mr. Tremblay thinks that the new labor legislation will materially assist in the economic revival of the province through the advent of goodwill and economic peace. The minister hopes that in the near future permanent arbitration organizations will be set up in all important industries and factories, as facilitated under the new laws.

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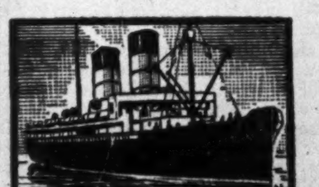

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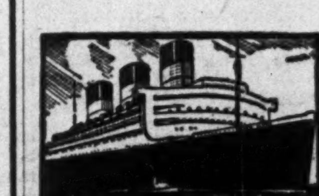

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Week in Mining

Mine Labor Problem Important to Investors

Lower Prices for Gold Shares and Stability of Production Give New Basis for Calculation of Investment Returns

Strikes at the gold mining properties of Cariboo Gold Quartz and of Island Mountain Mines in British Columbia account for some of the weakness in gold shares in the past week. It shows the nervousness that is always ready to express itself in financial markets and particularly after the fears aroused by the recent scare over the price of gold.

The weakness of gold shares in Toronto and Montreal, upon news of the British Columbia miners' strikes, also illustrates the fear that activities of the Mill, Mine and Sméltermen's Union may spread into labor troubles in other mining areas. The union is an affiliate of the Committee for Industrial Organization (C. I. O.).

The idea of labor troubles, of course, is not encouraging to investors in mining shares. We may reaffirm the view expressed in this column several weeks ago of the weakness of the strike weapon as applied particularly to gold mines. The companies could hold out indefinitely; they would retain their holes in the ground and the labor agitations might put a hole in the miner's pocketbook. The mining companies in Canada are paying very high wage rates, as they must to attract workers from other pursuits, and there is every indication that generous wage policies will be continued. As applied to mining, the C. I. O. strike technique may accomplish little or nothing for the mine worker, and although large mine shareholders could probably outwait strikes, the effects on the small mining investor would be unfavorable.

Renewed nervousness over the future price of gold has also developed in the markets for mining shares, and reflects the inherent mistrust of artificiality in such prices as that for gold.

Mine Investments

Investment yields on mining shares, both golds and base metals, have risen very materially as a result of the recent decline of prices. Barring adverse developments, the recent cheapening of shares of producing mines allows more favorable calculations of income for the investor.

The Dominion Income Tax Department allows holders of mining shares to deduct 20%, or one-fifth, of mining dividends as an exemption from taxable income. The implication is that 20% of dividends should be regarded as a return of capital. In calculating yields on mining shares, therefore, the investor may be well advised to deduct at least 20% from dividends to reach a net yield basis. In some cases where the apparent yield is 10% or more from gold mining shares, it would be the part of conservatism to treat a larger part of the dividend as capital. If a return of 6% is reasonable as net income on mining shares, then anything above that yield may be treated as return of capital. It is possible to make a rough calculation of the number of years it will take to get back the money invested, on the following basis:

Apparent yield %	Net yield %	Return of capital %	Time for full capital return years
7	6	1	100
8	6	2	50
9	6	3	33⅓
10	6	4	25
11	6	5	20
12	6	6	16⅔

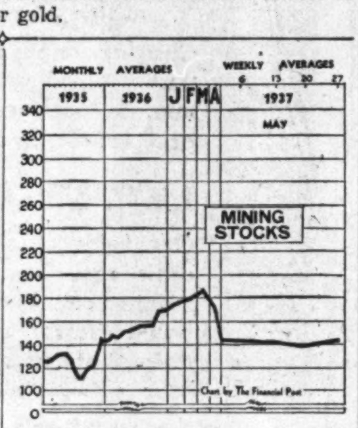
In the case of mining shares yielding less than 6%, there is apparently the implication or hope that the income will increase or last a great many years. At any rate this is one yardstick for appraising investments in dividend paying mines.

* * *

Rising Costs

If gold remains at a stable price, that fact will probably limit further expansion of tonnage gold production from the big South African mines, comments the Gold Mining Record, London. Assuming comparative stability of production by the big mines, the Record analyses the possibilities of rising costs which is a question of equal interest in the big Canadian gold mines. The conclusion reached is that while it would be foolish to assume that the gold mining industry can remain indefinitely immune to rising costs it is particularly well situated to minimize this factor.

If the price of gold remains stable at $35 an ounce, the investor may well regard the gold mines as somewhat akin to public utilities, with fixed rates for their product and trying to stave off rising costs. The other important consideration is that the higher price has greatly lengthened the lives of the mines.



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Advice for Investors

Advice for investors which seems to be available in large quantities is the subject of new and important regulations recently published by the Ontario Securities Commission. They are applied chiefly to stock brokers, but are of equal importance to all sorts of investment dealers and should be kept in mind by the investor. The official viewpoint on advisory services as outlined by John M. Godfrey, K.C., the Securities Commissioner, is that a broker must act with the responsibilities of trusteeship in giving advice in connection with lists of securities. This means that if a broker advises clients to buy certain securities in which the broker himself is financially interested then that broker must make it clear that he has a financial interest in making the sale.

It is high time that this principle was adopted. It is a fundamental of good company law that there should be disclosure of the interests of the seller; and such disclosure is even more essential where stock brokers are concerned because their advice is ostensibly disinterested and impartial.

New Fee Scale Now Provided

Syndicates Must Secure Approval From Commission

An incorporation fee of $25 for mining syndicates with capitalization up to $35,000 is provided for under an order-in-council of the Ontario Government which is expected soon. Such incorporations will henceforth be subject to the terms of part 1 of the Ontario Companies Act instead of part 11.

In addition to the $25 fee companies will be required to pay their corporation tax in advance, and in order to take advantage of the reduction, mining syndicates will be required to file copies of their prospectuses with the Ontario Securities Commission and get its approval. Any person selling the stock must also secure the Commission's consent.

The Financial Post is informed that the order-in-council is designed to encourage the formation of mining companies under the provisions of the Ontario Companies Act, which offers a protection to the investor not provided by a syndicate.

No provision is made for winding up a syndicate, nor does the limited liability clause apply as with a company. To secure this amendment the Securities Commission has been working in conjunction with the provincial secretary's department.

Incorporation fees for syndicates whose capitalization is over $35,000 rise proportionately to a $100 maximum.

Such companies will be given a charter for a term of perhaps three years. The charter will be extended upon application, but there would be no winding up expense if the company's activities stopped within the time limit.

Smelters Gives Workers Stock

Employees of Consolidated Mining & Smelting Co. who have not already received five shares of company stock will receive their five shares on the first of July or first of January after completing three years' service, S. G. Blaylock, Smelters' vice-president and general manager, says in a statement sent to officers of Trail, Sullivan mine and Sullivan mill co-operative committees.

"All employees who have completed 12 years' service will receive a share of stock on the first of July or first of January following completion of 12 years' service and an additional share at the end of each two years additional service until further notice," says Mr. Blaylock.

Employees joining Smelters after June 1, 1937, will receive one share of stock on July 1 or Jan. 1 after completion of two years' service and a further share of stock at the completion of each two years' additional service until further notice.

Board to Settle McMillan Fate

McMillan Directors May Dispose of Assets or Start Anew

From Our Own Correspondent

SUDBURY.—Shareholders of McMillan Gold Mines, Ltd., at the annual general meeting in Sudbury, authorized directors to dispose of the company's assets, retire all outstanding liabilities and divide the balance among the shareholders, or, if they think best, to take steps to reorganize and resume operations at the West River property of the company.

President G. A. Foot told shareholders that $100,000 would be required to effect needed changes in the mill and develop the mine's lower levels, which, he stated, yielded some encouraging indications of commercial ore.

The total debts of McMillan are approximately $30,000, a large part of which is made up of loans made by directors. The plant and equipment of the company have been maintained in good condition since operations were suspended in April, Mr. Foot stated.

The board of directors elected for the ensuing year, with the responsibility of winding up the company's affairs or reorganiziing, is composed of G. A. Foot, F. Lafferty and Dr. F. C. Fraser, of Sudbury; T. F. Wende, of Buffalo, N.Y., and Louis Eano, of Footbank.

May Resume Work At Horwood Lake

From Our Own Correspondent

SUDBURY.—W. E. Smith, who originally staked the Horwood Lake claims which Hollinger has been exploring for over a year will, it is understood here, resume operations and probably install a 25-ton mill to treat the ore so far indicated.

In former work, Hollinger sank a 600-foot inclined shaft and opened four levels, on which considerable lateral work was done. No official statement has so far been made on results, though the suspension of work by Hollinger would indicate that the development has not revealed a sufficient body of commercial ore.

Costs Higher For McIntyre

Financial Position Strong But Charges Per Ton Rise

For the fiscal year ended Mar. 31, 1937, McIntyre-Porcupine Mines earned $4.46 per share, as against $4.49 per share a year ago, J. P. Bickell, president, points out in presenting the company's twenty-fifth annual report.

There has been a material increase in the market value of the company's investments and its financial position "has been strengthened to a degree never before attained in its history," Mr. Bickell says. Costs, however, have shown a gradual and persistent upward trend, as predicted at the last general meeting of shareholders. Price lists covering supplies and equipment have been advanced and compensation to employees was increased as of Nov. 1, 1936.

McIntyre's gross value of production for the year was $8,641,205, and the estimated value of ore reserves remains substantially the same as a year ago. Negotiations have been completed whereby all the properties in the Mud Lake area of Quebec in which Belleterre Mines acquired any interest will be transferred to that company. When these transfers have been completed, there will be 1,500,000 of Belleterre stock issued and outstanding. McIntyre will possess 1,432,495 of these shares.

Ore Reserves

R. J. Ennis, general manager, reports that estimated ore reserves total 3,416,622 tons and broken reserves 175,399 tons, valued, with gold at $35, at $33,426,810, or average grade per ton of $10.70.

Operating costs totalled $4,035,603, exploration, development, breaking and stoping accounting for $3,267,068 of this amount. Cost per ton of ore milled was $4.67.

The 32-cent per ton increase in costs is attributable in part to the back filling, retimbering and reexamination of old workings, Mr. Ennis concludes.

McIntyre examined 48 outside properties during the year and took options on five. Three properties were given up and diamond drilling is progressing on the other two. Belleterre Mines, formed to consolidate the several groups of claims owned wholly or in part by McIntyre in Guillet twp., Quebec, is being developed from two shafts.

Income and Surplus Account
Years Ended Mar. 31

	1937 $	1936 $
Bullion recovery	8,100,696	7,994,251
Less: Oper. exps.	3,898,702	3,694,950
Administration	136,900	100,286
Depreciation	298,888	352,615
Taxes	654,510	634,064
	3,111,696	3,212,336
Add: Other income	448,676	370,576
Net profit	3,560,372	3,582,911
Less: Dividends	1,596,000	1,197,000
Dividend tax	9,293	61,627
Exchange premium	......	2,047
Surplus for year	1,955,079	2,322,237
Add: Previous surplus	10,424,048	9,435,308
Trans. from invest. acct.	253,067	......
Sundry adjust.	40,017	34,769
Less: Depletion	1,000,000	1,000,000
Develop. w/o	135,039	368,267
Earned surplus	11,537,172	10,424,047

Working Capital

	1937 $	1936 $
Current assets	14,414,762	12,605,429
Current liabilities	1,302,059	1,519,968
Working capital	13,112,703	11,085,461

Second Test For Arca Well

From Our Own Correspondent

CALGARY.—The Arca well on the High River structure, deepest well in the British Empire, is undergoing its second production test. First test proved unsatisfactory due to the intrusion of sulphur water. This water has now been shut off in the lower limestone with cement, and the Dalhousie sands and upper limestone are now under test.

Mining News Concentrates

Central Cadillac Gold has purchased a diamond drill to speed up work underground and will systematically explore the south wall of the east drift on the first level. The drift is now close to the high-grade showing. Assay office has been completed and is now in operation.

• • •

Cariboo Gold Quartz has declared its seventh quarterly dividend of 2½ cents per share, payable July 2 to shareholders of record June 10. The dividend means the disbursement of $33,327, bringing total disbursements for the year to date to $99,992.

• • •

Central Duverny Gold reports that four zones of tension fractures and several shear zones have been indicated on its Duverny twp. property through the geophysical survey recently completed. The company is diamond drilling some parallel shear zones indicated by the geological map. So far five holes have been spotted, and the results of the drilling should be known shortly.

• • •

Castle-Trethewey Mines—Showed a slight increase in income for the year ended Mar. 31, 1937, and the value of its portfolio also rose appreciably, says J. P. Bickell, president, in the annual report. Castle-Trethewey has repaid its bank loan and has received $25,000 from Omega.

• • •

Hollinger Consolidated has declared its regular dividend of 1% and its extra dividend of 1% per share, payable June 17 to shareholders of record June 3. This makes the third extra dividend of 1%, or 5 cents per share, declared this year.

This dividend calls for distribution of $492,000 and when paid will bring total disbursements for this year to $2,214,000, and total since the inception of dividends in 1912 to $85,044,400.

• • •

Lakehill Gold Mines reports that diamond drilling on 14 holes at the Gull Island property, Lake of the Woods, has now been completed. Assays of the cores have not been completed, but it is anticipated that the result will be made known shortly. Meanwhile the company is continuing with further diamond drilling and it is expected that with the completion of three more holes, the diamond drilling will be complete and the veins along the zone A-B drilled throughout their lengths.

To Raise Tonnage From Omega Gold

Larder Lake Activity Encouraging to Property

Inability of the hoisting equipment to keep pace with mill and mine capacity delayed the completion of Omega Gold Mines' plans for enlarged output during the year ended Mar. 31, 1937, says J. P. Bickell, president, in submitting the annual report.

Operating profits before write-offs were, generally speaking, sufficient to cover the cost of providing the additional capacity and permitted the repayment of $25,000 to Castle-Trethewey Mines on account. A considerable tonnage of new, low-grade ore was indicated, but only part of this was developed sufficiently to permit its inclusion in estimated ore reserves.

For the period Apr. 1, 1936, to Mar. 31, 1937, Omega milled 132,642 tons of an average value per ton of $4.92, says Angus D. Campbell, manager, in his report. Recovery was $4.24 per ton and the total value of production $635,231. Ore reserves have been estimated at 514,600 tons, averaging .164 oz. per ton.

Operating costs were kept low during the year, total cost per ton milled being only $3.46 and reflecting careful management. Milling costs per ton were $1.19. Highest average daily tonnage in any one month was 433, and a daily capacity of over 500 tons has been demonstrated, says Mr. Campbell. It is hoped to have the new hoist working by July, as the suggested capacity of 500 tons daily could not be handled along with development waste from lower levels until improved hoisting facilities were provided.

Temiskaming Planning To Resample North Dome

The situation of Temiskaming Mining Co. differs but little from that of a year ago except that the market value of its securities shows an appreciable increase, says J. P. Bickell, president, in the company's thirtieth annual report, covering the fiscal year ended Mar. 31, 1937.

Development at depth on the property adjoining Temiskaming's North Dome claims in Tisdale twp., has undoubtedly increased the potential value of these claims, and Temiskaming plans to pump out the underground workings and resample them. Some drilling will probably be required to trace the relationship of ore bodies, and Temiskaming's future policy will be predicated upon the information thus obtained. Last work done on the North Dome properties was completed in 1913.

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

The Financial Post undertakes to supply *facts* about mines rather than opinions. We will not select lists of stock for investment nor make forecasts. We cannot answer enquiries by telephone or telegraph.

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Newbec Mines

Will you please give me some information on Newbec? How near is it to Noranda or to a producing mine? I would like to know the grade of ore, the working capital position and the general prospects.

Newbec Mines is a copper-gold prospect in Dufresnoy twp., Quebec, about six miles northwest of Noranda Mines. Owing to heavy overburden, exploration has been restricted. There is a shaft down to 271 feet, with stations cut at 60, 125 and 250 feet. About 2,000 feet of lateral work has been done, mostly on the 250-feet level. Numerous small ore bodies have been disclosed, assaying about 6% copper, with varying gold and silver values but no zinc.

Beginning March 15, 1930, 278.26 tons of copper ore assaying 6.7% copper were shipped to the Noranda smelter. Some carloads of this ore assayed $1.80 in gold and 2 oz. of silver per ton. Newbec owns 370,000 shares of Lartic Mines, and Noranda is interested in Newbec to the extent of 297,967 shares as at the end of 1936. Working capital as at Dec. 31, 1936, amounted to $23,380, as compared with $24,220 at the same date in 1935.

Noranda Mines

Please give me some facts about Noranda Mines upon which to form an opinion of its prospects for "the long pull."

While the primary operation of Noranda Mines is as a copper producer, the company is fortunate in that its gold production can be adjusted to equal or exceed its copper output. For the fiscal year ended Dec. 31, 1936, Noranda's net profit of $9,268,037 was the highest in the company's history, equivalent to $4.14 per share. Earnings per share in 1935 equalled $2.63.

Estimated net profit for the first quarter of 1937 is $2,623,931, compared with $1,952,289 for the corresponding period of 1936. It is obvious that the recent increase in copper prices has been of substantial benefit to Noranda.

Noranda is currently selling at about $62 per share, and at this level it is reasonable to expect earnings of $6.20 per share for the year. Indicated ore reserves are said to be sufficient to allow milling for about 17 years at the present rate, provided costs can be held to approximately their present levels. The most promising of Noranda's outside operations at present is Pamour Porcupine Mines, which is currently milling over 700 tons per day. Although Pamour's profits are being ploughed back into expansion, the mine is expected eventually to provide Noranda with considerable income.

Bilmac Gold

Bilmac Gold Mines interests me as a prospect. I would appreciate a review of its possibilities through your mining columns.

Bilmac Gold Mines has completed its two-compartment shaft at the property in the Shining Tree area of Ontario to 419 feet. On the 65-foot level the company has done 300 feet of drifting and it reports that good ore has been encountered for the entire length. On the 170-foot level, 1,300 feet of drifting has been done, with a further 1,000 feet on the 410-foot level. A raise from the 65-foot level to the surface is said to show gold values.

Surface exploration has developed ten quartz veins and several free gold showings have been reported. The property is still in its early stages.

God's Lake

As a shareholder of God's Lake Mines I would be glad of a review of the prospects of this company through your mining columns.

God's Lake Gold reports that production for the first quarter of this year amounted to $127,620, as compared with $147,870 for the last quarter of 1936. Development on the fourth level. west of Sucker Creek, is more encouraging. The results of the last assay show 0.45 oz. per ton across 3.5 feet. Additional equipment to bring mill capacity to 200 tons daily is being installed, and it is hoped that the increase will be effected by the beginning of June next.

Net profit for the 1936 fiscal year, the first year of operation, amounted to $123,691, equivalent to six cents per share. Working capital as at Dec. 31, 1936, was $37,812. Recovery in that year ran $11.74 per ton. Ore reserves were maintained well in advance of mill requirements, although average grade was somewhat reduced. Calculated reserves at the end of 1936 amounted to 136,500 tons grading 0.27 oz. per ton, compared with 99,000 tons grading 0.36 oz. per ton at Dec. 31, 1935. No allowance is included in the 1936 total for ore below the fourth level, or for any ore below the third level west of the Sucker Creek fault.

God's Lake owns 1,200,000 shares in Jowsey Island Gold Mines, a subsidiary, but pending further financing this company discontinued operations on July 19, 1936.

Bralorne

What late news of development at Bralorne Mines have you on hand? I am interested in this and other British Columbia Mines.

Bralorne is sinking a new shaft, known as the Crown shaft, east of the "Empire" fault and about 100 feet from the footwall of vein "59." A diamond drill hole was put out to the south from the shaft location and cut 1½ feet of ore averaging 0.5 oz. per ton at a distance of about 70 feet.

The original shaft is being continued on the "King" vein, and diamond drilling 450 feet below the fourteenth level cut 2 feet. and 1½ feet of ore running about 0.4 oz. per ton. On the newly discovered vein "59" about 650 feet of drifting has been done, nearly all in commercial ore. On the sixth level about 290 feet of development work has also been done, and it is reported that about 10,000 tons of ore has been added to reserves since Dec. 31, 1936. At that date, total reserves, developed and probable, amounted to 505,000 tons, averaging 0.45 oz. of gold per ton.

Last year was the best in Bralorne's history, and ore is being developed well in advance of production. In many parts of the mine, cut-and-fill mining has been adopted successfully and this has contributed to the richer ore mined and the higher grade of reserves.

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Expect Rise In Crude Yield

New Acid Composition May Help Small Wells in Turner Valley

From Our Own Correspondent

CALGARY.—Oil company officials in Calgary are pleased over the discovery of a new acid composition which, apparently, has the power to greatly increase the crude oil yield of small producers.

Since it came into production last December, the Royalite Sterling Pacific 3 well, located on the west flank of Turner Valley, north of the large crude producers, yielded a maximum of about 125 barrels daily. Before an acid treatment was decided upon this yield had dropped to between 75 and 80 barrels of crude daily. Imperial Oil officials decided to try a new type of acid, never previously used in Turner Valley wells. The results were far beyond their expectations. The well blew the acid out of the hole with terrific force and production jumped to a rate of 280 barrels a day, according to J. H. McLeod, Imperial Oil official at Calgary. Mr. McLeod said that the yield might decline a little as the well settled down to steady production.

Acid Eats Limestone

Previous acid treatments given small producers in Turner Valley have had little effect on production. It is now thought that an acid composition particularly adapted to Turner Valley limestone has been discovered, and it is probable the new acid will be used in other small wells to boost the yield. The acid eats into the limestone at the bottom of the well and permits crude oil to flow into the hole.

Six crude producers on the west flank of Turner Valley are now yielding a combined production of slightly more than 3,000 barrels of crude daily. The daily yield from wells other than Royalite Sterling Pacific 3 is approximately as follows:

Royalite-Sterling Pacific 4 (the largest producer in Canada), 1,000 barrels.

B. and B., 650 barrels.

Turner Valley Royalties, 600 barrels.

Foundation, 245 barrels.

Westside, 230 barrels.

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Britain Watching Alberta Oil Field

There may be a revival of British capital interest in Canadian oil development, according to the Petroleum Times, London. "We hope shortly to give details of a scheme now formulating," this oil trade paper comments.

Expressing gratification that the British Empire is coming into due prominence in the matter of exploration for oil, after years of apparent neglect, the Times says, "Perseverance in Canada has at last had its reward in the beginnings of making the country a crude oil instead of a naphtha producer." The reference, of course, is to developments in Alberta's Turner Valley in the past year.

O'Brien Gold Reports Progress

Work on Levels 10 to 13 Outlined by General Manager

From Our Own Correspondent

MONTREAL.—Reporting on recent developments at O'Brien Gold Mines, J. G. Dickenson, general manager, has the following to say:

"As of May 26, the tenth level (1,138 ft.) has been drifted 141 ft. west of the station; the most westerly 71 ft. is in ore with erratic occurrences of high grade, yesterday's face being spectacular high grade. There remains 65 ft. farther to go before encountering the downward extension of the spectacular high-grade ore shoot occurring on the upper levels.

"On the eleventh level (1,264 ft.) drifting has been advanced 44 ft. to the east, the first 27 ft. showing coarse gold in quartz, and the last 17 ft. showing no values of note. There is still 130 ft. farther to go to come under the downward projection of the eastern ore shoot on levels above.

"The twelfth level (1,369 ft.) has been advanced 68 ft. east of the shaft station, the first 25 ft. of which shows irregular high grade in quartz with mineralization 12 ft. wide; no slashing has been done beyond and the vein shows erratic values.

"The 13th level (1,514 ft.). From where the vein was intersected in the crosscut 40 ft. west of the shaft, 80 ft. of drifting has been done westerly, with quartz and heavy mineralization for 30 ft. in length and 15 ft. wide, beyond which no slashing has been done. There is still 85 ft. to go before coming under the downward extension of the west spectacular high-grade ore shoot."

Year's Ore For Bidgood

Reserves Not Yet Large Enough — Costs Hit Earnings

Bidgood Kirkland's present ore reserves are 45,000 tons grading $13.60 per ton, enough for one year's mill supply, J. H. C. Waite, president, told the annual meeting of shareholders. There is said to be 10,000 tons of ore grading .5 oz. per ton in the old Bidgood workings, and these workings will probably be investigated in the future.

Mr. Waite said that development charges amount to $6.50 per ton, and while mill recovery has not been as good as expected, owing to difficulty in treatment, it is now felt that recovery is as efficient as can be hoped for. Bidgood Kirkland is grinding its ore finer than any other Kirkland Lake mine.

The president looked for good results from new occurrences on the 775-foot level, although No. 20 vein has been lost there. This vein apparently does not go down to the 775-foot level but dips into the main break some distance above, Mr. Waite said.

New Ore Body

There is a substitute vein on this level, and other showings would indicate that work on this horizon is just at the top of a new ore body. No. 706 vein on this level is quite strong and has been developed for 220 feet, with cut average grade of between $11 and $12 per ton across 36 ins. No. 705 vein has been exposed for 45 feet, with cut average grade of $22.40 per ton across 28 ins.

The shaft is being deepened from this level and three additional levels will be established. Deeper diamond drilling will be done from the stations as the shaft goes down. Production for the first four months of this year ran $140,524, average recovery being $10.52 per ton of ore treated. It is estimated that May production will be about $34,000.

Income and Surplus Account
Year Ended Dec. 31, 1936

	$
Bullion production	360,110
Add: Sundry revenue	1,580
Total income	361,690
Less: Current development	152,199
Mining, milling and admn.	177,946
Head office expenses	19,951
Net earnings	11,594
Less: Deferred development w/o	79,554
Net loss for year	67,960
Add: Previous deficit	115,790
Settlement, A. L. Herbert	30,000
Settlement, N. W. Bryne	15,000
Incorp. expense w/o	3,633
Share sale expense	2,052
Deferred development adjust.	73,187
Stores adjustment	4,158
Taxes, etc., adjustment	1,420
	313,200
Current assets	70,653
Current liabilities	39,859
Working capital	30,794

Mining Company Reports

Cobalt-Frontenac

Shareholders of Cobalt-Frontenac Mining Co., by an average majority of about 350,000 shares, returned to the directorate, at the company's adjourned meeting, the faction led by Noah Dyment, president of Cobalt-Frontenac. Mr. Dyment's board was returned over the D. H. Fletcher group. Until 1934 Mr. Fletcher was president of the company. He owns about 500,000 shares of its capital stock.

Mr. Dyment, who is also president of Addington Mines, now worked by Consolidated Smelters, and in which Cobalt-Frontenac owns about 800,000 shares exchanged for Rich Rock Gold Mines, says that the company will now distribute the Addington shares to Cobalt-Frontenac shareholders and also resume work on its own properties, especially that held in Barrie twp.

New Directors

New directors are: Noah Dyment, A. S. Glover, George Beer, Stanley Day, T. J. McFarlan, Edgar Morrow, S. G. Hodgson, Dr. J. H. Leeds and J. H. Seeney, Messrs. Leeds and Seeney being new members.

Cobalt-Frontenac is capitalized at 300,000 shares of preferred stock and 2,700,000 shares of common, $1 par; 33,000 preferred and 2,500,000 common have been issued.

Bankfield Consolidated

Bankfield Consolidated Mines will carry out an extensive development programme this year and is preparing to sink a winze from the fourth level to develop the ore indicated south of the Tombill boundary, according to the company's first annual report. To explore the north ore zone a crosscut is being driven north from the fourth level.

W. H. Woods, consulting engineer, reports that during 1936 5,532 ft. of underground work and 11,330 ft. of diamond drilling were done, bringing the total to 9,932 ft. of underground work and 25,012 ft. of diamond drilling. By means of raises and sub-levels the ore previously indicated on the first and second levels was further developed.

The company acquired the assets and undertaking of Bankfield Gold Mines Aug. 6, 1936, and the report covers the period from that date to Dec. 31, 1936. The predecessor company was issued 2,000,000 shares of the capital stock of Bankfield Consolidated at the time of the transfer. The mill has been completed since the end of the period covered by the report, and is now handling about 100 tons daily. Millheads are expected to run $14-$15 per ton.

McVittie-Graham

McVittie-Graham Mines will do further prospecting this year on the 48 claims staked at Gordon Lake, N.W.T., in which it holds an 80% interest, F. M. Connell, president, says in the ninth annual report of the company reviewing work in the year ended Dec. 31, 1936.

No important finds were made on the Yellowknife River properties, but the company staked a 16-claim group at Dinty Lake, north of Lake Athabaska, and bought nine adjoining claims. Mr. Connell reported that the mill at Veraguas Mines, Panama, was closed in October last. Early in the year several small ore shoots were discovered in the eastern part of the mine, but subsequent exploration failed to disclose anything of great importance.

McVittie-Graham's total income last year was $37,063. Expenditures and write-offs totalled $30,824, leaving a profit of $6,239. The balance sheet shows current assets of $234,425, made up of $9,333 cash and $225,092 investments. Current liabilities amount to $224.

Moneta Porcupine

Directors of Moneta Porcupine Mines have practically decided on a mill to treat 160-175 tons daily, and this may be increased in time to daily capacity of 200 tons, shareholders were told at the annual meeting.

Ore grade, as indicated by diamond drilling, should be about $19.50 per ton, but taking dilution into account it is estimated that millheads will run $16 to $17 per ton. The mill should be working by January or February of next year.

W. E. Segsworth, president, said that the shaft has been completed to 560 ft., and that four stations have been cut, the bottom one at 525 ft. By about June 10 crosscuts on the four levels will be started, and it is estimated that the ore should be reached by about the beginning of July.

A crushing plant capable of handling 300 tons daily has been ordered. With an adjustment to one of the crushers, the plant can crush 500 tons every 16 hours if necessary. The company should shortly be able to determine the flow sheet for the mill.

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Ontario's Gold Production Tops Last Year's Figure

Production figures for Ontario gold mines for the first four months of the year have been issued by the Ontario Department of Mines. Hollinger, Lake Shore, Young-Davidson and Pickle Crow head the producing gold mines in the Porcupine, Kirkland Lake, Matachewan and northwestern Ontario belts, respectively, for the month. Porcupine and Kirkland Lake fields show 10 producers each, Matachewan two and northwestern Ontario 20. A summary of production by areas compared with the same period last year follows:

	1936		1937	
	Tons Milled	Value $	Tons Milled	Value $
Porcupine Belt—				
January	321,654	2,654,617	360,997	3,166,931
February	311,340	2,618,662	328,558	3,116,903
March	330,163	2,811,129	357,997	3,316,759
April	320,479	2,976,709	350,011	3,072,697
Kirkland Lake Belt:				
January	166,080	2,767,180	195,295	2,961,649
February	161,112	2,700,890	169,598	2,784,962
March	189,606	2,996,610	194,223	2,979,568
April	176,323	2,796,423	189,005	2,911,285
Matachewan:				
January	29,280	116,704	36,509	134,021
February	27,863	111,182	33,935	132,337
March	33,363	136,847	38,899	133,366
April	32,920	133,437	37,747	144,729
Northwestern Ontario.				
January	88,541	695,913	98,545	857,409
February	82,830	630,272	92,185	861,402
March	89,147	769,920	101,623	876,701
April	86,771	740,166	99,051	850,877
Total for Ontario:				
January	605,555	6,234,414	691,346	7,120,010
February	583,145	6,111,006	622,276	6,895,604
March	642,279	6,714,506	692,742	7,308,394
April	616,493	6,646,735	675,814	6,979,588

News Concentrates

Ventures Ltd.—Has declared a dividend of 12½ cents per share on the new capital, payable July 5 to shareholders of record June 21. As the company's share capital was recently reduced from 10 million to 2 million shares and an exchange made on the basis of one new for five old shares, this is not an increase in the dividend rate. This dividend will mean the disbursement of $196,744.

* * *

Tyr-Mac Golds—Has engaged G. R. McLaren, M.E., to examine and report on its holdings in Matachewan area. Current year's development work will be decided upon after Mr. McLaren's report has been received.

* * *

Allegro Gold Mining capitalized at 3,000,000 shares, has been formed to acquire the property of Alschbach Gold Mining, Grenfell twp. A special general meeting of shareholders ratified the transfer, first to Alschbach Kirkland Gold Mines for one million shares and then the change of name to Allegro.

* * *

Denison Nickel Mines reports that the crosscut on the 200 level has been in high-grade ore for about 50 feet, the occurrence being massive nickel-copper sulphide. An average of four samples of massive sulphide ran 2.17% copper and 5.25% nickel, with some values in gold and platinum. In the first 30 feet of the high-grade section the proportion of sulphides is estimated at about 20%. Eliminating 50% of the waste by sorting would raise the proportion to 40%. Indicated grade would then be 0.87½% copper and 2.10% nickel.

The Haileybury assay office reports that platinum values have run from traces to .395%.

* * *

Matona Gold Mines is progressing with drilling of the fourth round in the shaft, which will mean another 20 feet of new work and total depth of 165 feet of the projected 500 feet. The purchase of a new hoist is contemplated.

* * *

Margaret Red Lake has ratified a financing agreement calling for a firm commitment of treasury shares to net the company $50,000. An option will be given on the remaining treasury shares at prices to net the company money enough to bring the property up to the production stage. Margaret Red Lake holds 51 claims in the Red Lake area.

* * *

Ronda Gold Mines in Shining Tree area, is sinking its winze from the 300-foot level. It will be of three-compartment size and go down 250 feet to establish two new levels, later being connected with surface if results are satisfactory. Vein on the 300 level has been opened for 190 feet, averaging $8.15 across 3.1 feet, and has been intersected in three places by diamond drilling at 400-foot depth. The two new levels will be opened at 400 and 500 feet. Object of the winze is to investigate the drill intersections at a depth of 115 feet below the 300-foot level.

* * *

Algold Mines is concentrating work on opening up the west ore body and increasing the tonnage put in sight in this section. The 200-ft. level drift is now out 363 ft. in ore practically the full distance. On the 100-ft. level drifting has advanced 70 ft. with both faces in ore. Ore for the mill is being drawn from underground with a large tonnage of broken ore in the pit as a reserve.

* * *

Premier Gold Mining has declared a regular dividend of three cents and extra of one cent per share payable July 15, 1937, to shareholders of record at the close of business June 15, 1937. This payment represents a disbursement of $200,000, Canadian funds.

* * *

Eva Lake Gold Mines has exposed nine veins on the property, according to E. B. E. de Camps, consultant. No. 1 vein, believed to be the extension of the "Powers" vein now being developed by Northern Empire, crosses the north end of the property. This has been traced for 1,500 feet and is being developed underground by a tunnel which is being driven into the base of a hill. A further 60 or 70 feet of crosscutting, it is estimated, will reach the vein.

* * *

Jellicoe Consolidated will shortly start shaft sinking under power, and reports that three diamond drill holes have indicated what may possibly be another important ore shoot on the main break. First hole, sunk 1,000 feet east of the 600-foot ore shoot previously indicated by drilling, cut four feet of vein material returning $32.20 per ton. Next hole, drilled 400 feet farther east, cut 10 feet assaying $4.44, of which two feet averaged $6.22. Third hole, 100 feet west of the second, cut three feet six inches of mineralized material showing visible gold. Two more holes are being put down west of the third at intervals of 100 feet to test the 300-foot section between the first and third holes.

* * *

Martin Bird Gold has secured another half mile along the line of strike through acquisition of three additional claims in the Larder Lake area. Company has had the three new claims under consideration for some time. They were obtained for a large share interest and substantial sum in cash.

* * *

Lake Rowan Gold reports from its Red Lake property that the tunnel being driven into Discovery Hill has been carried to station 297-50. At station 281 the vein returned $11.90 across 24 inches; at 287 it was 10 inches wide and assayed $57.60; at station 292 it ran $93.80 over nine inches, and at station 297-50 returned $178.50 over 10 inches. To explore the extension of the vein system to the east, drilling east of the mouth of the tunnel is also being done. Hole No. 3 gave values of $5.60 across 16 inches, $6.30 across 10 inches, $12.60 across six inches and $18.90 across nine inches. This hole was drilled 300 feet east of the tunnel, and proves the vein system for 600 feet.

* * *

Ymir Yankee Girl produced $41,308 from treatment of 3,302 tons during April, an average of $12.21 per ton, as against recovery of $41,267 from 3,215 tons in the previous month, an average of $12.83 per ton. Total recovery for the first four months of this year was $148,901, heads running $12.05 per ton.

* * *

Portage Long Lac will start a shaft shortly, diamond drilling having revealed results sufficiently interesting to warrant underground work. Most easterly hole showed a width of 2.6 ft. assaying $8.75. Over varying widths, other holes at 300 feet intervals returned values from $4.60 to $33.25.

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Power Plant For Athabaska

Smelters' Development to be Large Enough for District

S. G. Blaylock, vice-president and general manager of Consolidated Mining and Smelting Co. of Canada, announces that the company plans to build a hydro-electric power plant for the Lake Athabaska region of preliminary capacity of 6,000 horsepower.

Smelters, Box property, east of Goldfields, will be supplied with power from the new development, site for which, it is understood, is about 20 miles from Goldfields. Athona Mines, a near neighbor of the Box property, is among the enterprises in the field. The initial power development, Mr. Blaylock intimates, will be capable of providing power for other properties in the area. The plant should be ready by August, 1938.

Development at the Box property, according to J. J. Warren, president of Smelters, has indicated sufficient ore to warrant building a concentrating mill of 500-ton daily capacity. Besides the Box property and Athona, another company to benefit through the new power development will be Nicholson Gold Mines, at Crackenstone Point. Surface work and diamond drilling are planned for the property this summer, work to begin as soon as two diamond drilling rigs reach the ground. President and secretary of Nicholson Gold are J. D. Nicholson and F. McMillan, respectively, both Edmonton men.

An intensive development programme is in prospect for Athona Mines, according to J. J. Byrne, president, Equipment to increase air capacity to 1,150 cubic feet per minute will be installed. The three-compartment shaft will be deepened to 375 feet. Levels will be opened at 250 and 375 feet. Surface and underground diamond drilling is planned. Plant will be large enough to do about 1,000 feet of lateral work per month.

It is understood that this company will take power from the development sponsored by Smelters.

Santa Fe Gold Acquires British Canadian Assets

Santa Fe Gold Mines has acquired the property of British Canadian Mines for a stock consideration, out of which there has been placed on deposit with the trust company a sufficient number of shares to provide for distribution to bondholders of 250 shares for each $100 of bonds, and to shareholders, distribution of one share of stock for each seven shares now held.

Bondholders and shareholders are asked by the Guaranty Trust Co. to forward to it their bonds or share certificates, after which they will be notified of the shares to which they are entitled. The shares will be held by the trust company subject to the escrow restrictions imposed on them by the Ontario Securities Commission.

Mylamaque Gold Mines reports that underwriters will take down a further large block of shares to assure ample financing of the enlarged exploration campaign. The company reports that assays from drill cores gave values up to better than $20 in gold per ton.

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Ottawa Moves For Regulation Dairy Produce

Ice Cream, Sherbet, Butter and Cheese Subject of Control

NEW REGULATIONS

From Our Own Correspondent

OTTAWA. — The movement toward Government interference in business, which the Privy Council's adverse decision upon the Marketing Act of the late Bennett administration was regarded as checking, reappears in federal circles in the guise of important changes in the regulations covering butter, cheese, ice-cream and sherbet.

It is in the restrictions imposed upon the latter items that the feature of government interference is raised. New standards of food value are prescribed for both ice-creams and sherbets, with the object of preventing an excessive admixture of air in their manufacture—the purpose of which is to increase their volume without any corresponding increase in the ingredients used.

In other words the federal authorities abandon the principle of "caveat emptor" — "Let the buyer beware"—and substitute a measure of federal protection of the purchaser.

Ice-cream Defined

The specific provision, so far as ice-cream is concerned, is that it must contain 1.9 lb. per gallon of food solids. The following new definition of what constitutes ice-cream is adopted:

> "The frozen product made from milk products with or without any of the following ingredients: eggs, water, sugar, harmless flavoring, harmless coloring, and may contain added stabilizer composed of edible material and shall not contain more than one-half of 1% by weight of stabilizer, shall contain not less than 35% by weight of food solids, not less than 1.9 lb. of food solids per gallon and not less than 13% by weight of milk fat, provided that when fruits, nuts, cakes or confections are used as ingredients for the purpose of flavoring the contents of milk fat may be proportionately less than 13%, but in no case shall it be less than 11%, and fat other than milk fat shall not be employed in its manufacture."

Definition of Sherbet

The new definition for sherbet is: "The frozen product other than ice-cream made from milk products with any of the following ingredients: water, sugar, honey, fruit, or fruit juice, harmless flavoring, harmless coloring matter and stabilizer composed of edible material and shall not contain more than three-fourths of 1% by weight of stabilizer and not more than 5% by weight of milk solids including milk fat."

The last sentence prevents the sale of poor quality ice-cream or merely frozen milk under the guise of sherbet.

Other Restrictions

Another provision—even a more conspicuous entry of government into the field of business—requires that where a manufacturer provides a retailer with a refrigerating cabinet for storing his product, the retailer cannot use it for storing other manufacturers' products.

Provisions for proper lettering are also given in great detail for packaged butter and cheese. Skim milk cheese, whey butter, dairy butter or mixtures of dairy and creamery butter must all be specifically labelled as such. The contents of ice-cream and sherbet packages must be accurately stated on their labels and grade markings must be "true and accurate descriptions of the contents." Another provision specifically forbids "false, misleading or exaggerated claims" in advertising such dairy products.

The regulations also provide important new technical standards for packaging butter for export. Lighter boxes are allowed than those hitherto prescribed, with a consequent substantial saving in freight charges. It is stated by federal officials that under the new regulations the saving in freight on the new boxes between Winnipeg and the export shipping point will be $10 per carload, not counting the saving in box material. It is also stipulated that cheese for export must be held at the factory for at least eight days to assure proper maturity.

NEW DIRECTOR

Paul Beique, who has been elected a director of Comptoir National de Placement Ltée., Montreal investment firm, is a consulting engineer for several industrial corporations and municipalities. He has been vice-president of the Montreal Tramways Commission for some years.

Public Utility Earnings

Canada Northern Power

April:	1937 $	1936 $
Gross income	401,007	369,603
Expenses	164,878	140,974
Net income	236,129	228,629
4 Mos. ended April:		
Gross income	1,591,337	1,498,132
Expenses	648,768	563,940
Net revenue	942,569	934,192

Silverwood Dairies Profit Covers Rate on Preferred

The forthcoming annual report of Silverwood Dairies Ltd., London, for the year ended March 31, 1937, will show substantial improvement in earnings, The Financial Post is informed. The liquid position of the company has been strengthened by new financing carried out last year and by consolidation of companies and reorganization of the capital structure.

Earnings are understood to have been sufficient to cover the cumulative dividend rate of 40 cents a share on the 145,000 preferred shares of no par value, after providing for depreciation, and after payment of interest on the 5% first mortgage bonds and the 6% debentures. No dividends have been declared yet on the preferred, and arrears of 40 cents a share have accumulated since April 1, 1936. President A. E. Silverwood stated a few months ago that directors would want to have the results of a full year's operations under the new capitalization before considering payments on the preferred shares.

Last July, Mr. Silverwood stated that an application for listing of the preferred and common shares on the Toronto Stock Exchange would be made within one year. Although no definite action has been taken toward listing the shares, directors will probably discuss the subject in the near future.

Under the 1936 recapitalization, provision was made for sundry debts and mortgages by issuing $1.2 million of new 5% first mortgage bonds, which strengthened the working capital position. An issue of $1,450,000 of 6% debentures was given to preferred shareholders along with 145,000 new no par value preferred shares in exchange for the former 29,000 shares of 7% preferred stock. New common stock was given, share for share, for the former class A and common shares. There are now 176,623 common shares outstanding.

Part of the reorganization plan was elimination of more than a score of Silverwood companies by consolidation into the one organization.

Alberta Retailers Left Out in Cold

Government Said to Favor Co-operatives at Expense of Trade

From Our Own Correspondent

EDMONTON. — A complete reversal of attitude toward the Aberhart Government is seen in recent opinion expressed by officials of the Alberta Retail Merchants Association, which a year ago was strongly supporting the administration.

According to A. C. MacKay, secretary of the association, the Government secured all the information it needed from the retailers and "cast us aside and declared there was nothing in our policy they wanted."

One of the main issues on which the embattled retailers are preparing fire is the Social Credit Government's announced programme of encouraging retail co-operatives. This became a major policy with the Government when the trade and industry department was transferred late last year from Hon. E. C. Manning to Hon. Dr. W. W. Cross, and combined with general licensing and regulation, it constituted the Social Credit administration's chief policy in respect to the small businessman.

A recent meeting of retailers in Edmonton agreed that the association should prepare to "fight for our existence."

May Foreclose On Palace Pier

First Mortgage Holders Granted Order—Shareholders Appeal

Shareholders of Dominion Palace Pier, unfinished amusement pier at Toronto, appear likely to lose their investment in the property. Chartered Trust & Executor Co., Toronto, acting as agents for mortgage holders, have been granted a foreclosure order.

A final order has been signed by the court but R. T. Harding, K.C. Toronto, acting on behalf of a group of shareholders, has entered an appeal. The appeal against the foreclosure order will probably be heard in a few days and, unless it is allowed, the Dominion Palace Pier will pass to the mortgage holders.

Including arrears of interest and penalties, the mortgage amounts to about $57,000, and it is understood that, if shareholders could raise $12,000, it would hold off the foreclosure for at least a year. Taxes are about three years in arrears on the property and mortgage interest one year in arrears.

Construction of Dominion Palace Pier was started in 1927 and ambitious plans were prepared for an amusement centre to cost at least $1 million. A little over $600,000 was raised through sale of stock by Provincial Improvement Corp. It was found impossible, however, to sell sufficient stock to complete the building. An award for $50,000 damages was obtained from the Highways Department of Ontario in 1932 and this money used to pay charges such as taxes. In 1932 the first mortgage, originally for $40,000, was placed on the property but the company has been unable to pay taxes and interest.

Quebec Administrator Sanctions Rail Lines

From Our Own Correspondent

QUEBEC. — Bills providing for construction of two new railway lines in the mining districts of the province have been sanctioned by the administrator of the province. One company is the Temiscamingue and Abitibi Railway, a subsidiary of the Canadian Pacific, which is to serve the Angliers district. The other is the Quebec Goldfields Transportation Company, which had its name altered by the Legislature to "La Compagnie du Chemin de Fer du Nord-Ouest Quebecois."

Now the only thing remaining for each of them is to begin construction of the section of road in which they are interested, while the Canadian National Railways, which bitterly opposed granting of charters to either company, can do nothing but grin and bear it.

Railway Earnings

Canadian National Railways

April:	1937 $	1936 $
Operating revenue	17,056,398	15,041,771
Operating expense	14,807,383	13,586,465
Net revenue	2,249,015	1,455,306
4 Mos. ended April:		
Operating revenue	62,033,487	55,321,542
Operating expense	57,467,076	53,789,495
Net revenue	4,566,511	1,532,047

Tramways Executive Elected by Bureau

K. B. Thornton, general manager of the Montreal Tramways Co., has been elected president of the Montreal Better Business Bureau for 1937-38. Other officers chosen are E. H. Fuller, honorary treasurer; F. D. Chapman, of A. E. Ames & Co., vice-president and chairman of the financial section; and R. C. Dougherty, Canadian Industries, Ltd., vice-president and chairman of the merchandising section.

K. B. THORNTON

Summarizing the work of the Bureau during the past year, R. H. Neilson, general manager, reported that Bureau investigators had worked on 334 cases under the merchandising section. Of these, 91 resulted in court prosecutions, with 72 convictions to date. Many cases of fraudulent solicitation and fake charity promotions were exposed, particularly canvasses purporting to be in behalf of veterans or veterans' organizations.

Activity in the stock markets inspired many questionable operations during the year, Mr. Neilson said, such as "tipster sheet" publication, appearance of dishonest brokerage houses, and use of high-pressure selling methods. Mr. Neilson also reviewed the success of the bureau in preventing bankruptcy frauds, promoting more ethical business practices, and protection of the buying public.

Commodities

Still unsettled but remaining within narrow limits of fluctuations, representative commodity prices are higher for livestock but unchanged or lower in nearly all other classifications, including wheat.

Prices as applied to basic or raw materials are showing a declining tendency in the main, but manufactured goods are inclined toward higher levels with opinion leaning to the view that further advances are in prospect within the next few months. Existing unsettlement therefore is not regarded with concern in purchasing quarters where it is expected that a levelling-off period is in immediate prospect with a better balance between prices of raw and manufactured goods. In any event, no violent fluctuation in the general price structure is likely unless decisive changes occur in the general business, purchasing agents and other observers believe.

Comparative prices follow:

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$8.75	$8.50	$8.00
Hogs	9.75	9.50	8.75
Copper, lb.	.14	.14	.09½
Cotton, lb.	.1330	.1334	.1177
Rubber, lb.	.2042	.2106	.1562
Sugar, raw, lb.	.0337	.0337	.0372
Silk, lb.	2.01	2.11	1.47
Wheat Man. (bu)	1.23¼	1.33¾	.75¾
Coffee, lb.	.09⅜	.09⅜	.07⅛
Hides	.15½	.15	.11
Weekly Indices			
N. Y. Annalist	143.5	144.3	120.6
Fishers'	93.3	93.5	81.2
N. Y. Journal of Comm.	91.8	90.7	78.8
Crumps (Brit.)	84.1	84.5	67.7
U. S. Labor	86.9	87.3	78.1
Canada (D.B.S.)	85.4	84.7	71.9

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Apr.)	82.2	82.0	79.6
W'sale (Apr.)	86.1	85.5	72.2
United States (Apr.)	144.4	143.5	123.8
Gt. Brit. (Feb.)	91.0	90.1	80.3

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North. Ft. W.-Pt. A. Basis: Hides—No. 1 packer light native cows: Hogs—select bacons, Toronto.

British Dominion Oil Seeks to Add to Capital

From Our Own Correspondent

CALGARY.—Shareholders of the British Dominion Oil and Development Corp. have been notified that they will be asked to approve a proposal to increase the capital from 750,000 shares of $1 par value to 2.5 million shares of no par value, the purpose being to aid the financing of a well proposed to be drilled by the company on the west flank of the field on British Dominion holding. The financial report of the company showed a net profit for the year ending March 31, 1937, of $25,579, after allowing for depreciation and depletion. The gross realization from crude naphtha, crude oil and natural gasoline sales was $77,781. British Dominion 4, the company's producing well, yielded 33,541 barrels of oil during the year, according to the directors' report, and 3,000 barrels in March, after being on production for 16 months. The price being obtained for the oil is $1.97 a barrel.

Butter Futures Trade Reopens

Canadian Commodity Exchange Creates Permanent Market

From Our Own Correspondent

MONTREAL.—Canadian Commodity Exchange reopened futures trading in butter on June 1 with the initial trading in June and November calls.

Circumstances forced the suspension of futures in June last year. The governing committee of the Exchange, however, has advised members that it is their intention to maintain an open market in futures, as long as a single contract remains outstanding. Barring Government intervention, no suspension will be permitted under any circumstances.

Trading is in contracts of 400 boxes of 56 pounds each at 5% tolerance. The butter in one contract must be of one province's mark, must come from not more than 20 factories and not less than 20 boxes of one factory's make. The butter offered on one contract must have been made within 60 consecutive days and within the last 10 months.

Delivery is to take place from an approved warehouse or store during the month of maturity shown on the contract. All butter offered for delivery must be either fresh or storage, not both. The fresh may be delivered on storage contracts, but not storage on fresh contracts.

Price fluctuations on butter futures are measured at fractions of not less than ⅛ of a cent per pound. A fluctuation of ⅛ is equivalent to $28 on each contract.

New Air Services In North Quebec

Augmented Flights to Mining Area Are Provided

Mining engineers and executives will save about 19 hours in trips to the mining fields of northern Quebec by using the recently inaugurated flying service of Dominion Skyways, Ltd., operating between Montreal and Rouyn. Under the present schedule, radio-equipped biplanes will leave Fairchild Harbor at Longueuil on Sundays and Thursdays. Return flights will be made Wednesdays and Saturdays.

Regular summer flights are made to Chibougamau and the Florance River area from Senneterre and Amos, and connections may be made at Val d'Or for these points. As soon as the 3⅛-hour run from Montreal is completed, passengers will be picked up at Val d'Or and Rouyn. The usual train service from Montreal to Val d'Or takes 22½ hours.

Northern Flights, maintaining a daily scheduled air service to northern Ontario from the Toronto air harbor, also announces the opening of a Montreal office. The company will carry on a service to Val d'Or, Rouyn and Kirkland Lake. Airplanes will leave Montreal at 8.15 a.m., standard time, reaching Val d'Or at 11.03 a.m., Kirkland Lake at 12.40 and Rouyn at 12.57.

New Ventures Shares Are Listed in Toronto

New shares of Ventures Ltd. have been posted for trading on the Toronto Stock Exchange and old shares removed. Ticker abbreviation remains VR.

New listing covers the authorized capital of 2 million no par value shares for which supplementary letters patent have been issued. At present the company has an authorized 10 million no par value shares, of which 7,869,755 are outstanding. Old stock is exchangeable for new on a five for one basis. Shareholders approved the consolidation plan late in April.

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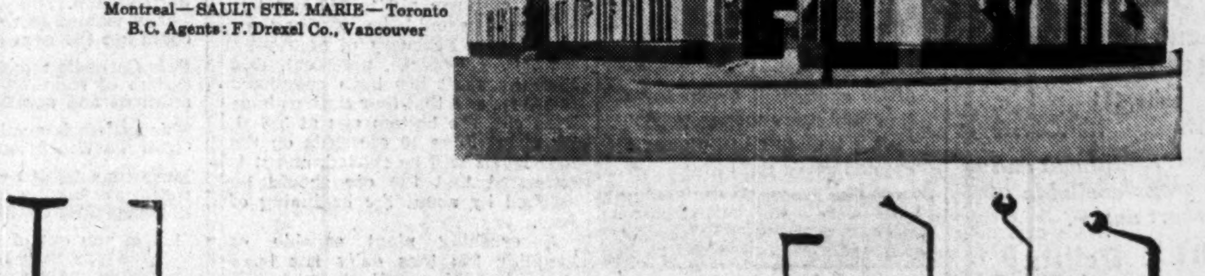

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